The road to success

Charlotte Bobroff, senior advisor to women entrepreneurs across the UK at JP Morgan Private Bank, on the achievements to be celebrated – and barriers still to be broken – for women-powered businesses

Over the years, women entrepreneurs have brought numerous innovative, industry leading and game changing products and services to the market – whether we're looking at the beauty industry and Trinny London, the femtech industry and Elvie, or financial services and Starling Bank – their impact is something to be celebrated.

However, the road to success isn't easy, a fact which rings especially true for women entrepreneurs who face more barriers than their male counterparts. In its second year, JP Morgan Private Bank's Female Powered Businesses Report, produced using Beauhurst data, has sought to measure the impact these businesses have on the economy and understand the common barriers to growth and ways in which we can better support women entrepreneurs in the UK.

Women-powered businesses contribute significantly to the UK's economy – reporting combined sales of £84.7bn – employ a sizeable share of the workforce with a total headcount of almost 700,000 and, as such, will be critical to the UK's recovery from the pandemic.

Positively, the proportion of investments made into women-powered businesses has grown over the last decade from 6.01% to a record 19.1% in 2021, with a total of £5.05bn in equity investment. We also found that these businesses are making their mark particularly within the clothing, healthcare, educational and nursing sectors, which we found has the highest proportion of women-powered companies compared to the general high-growth population, having between 37-46% share of the market.

However, while women-powered businesses have made large gains in recent years and are important drivers of growth and employment, they still face systemic challenges with equity dilution. When we discuss the diversity of the business population, taking a look at the composition of a business and whether it's owned by a minority is an important concept to consider.

During the process of receiving funding, the volume of shares by founders naturally declines, however women founders typically give up twice as much equity than male founders (25% reduction compared to 13%). One factor at play, here, is the reality that women founders face a more challenging fundraising landscape.

If we take a look at the Venture Capital funding landscape we can see how little women-led businesses are considered; according to the report *Venturing into Diversity & Inclusion* (2019), for every £1 of venture capital investment, less than 1p goes to all women-led teams. Over two thirds (65%) of funds in London have decision-making teams that are all-male, however. When we sat down with a number of our Top 200 female founders to discuss their journey to growth, it's clear that it is also important to consider who the decision makers are; whether they can see their potential and appreciate what their brand is all about – especially if that brand is geared towards women.

Women entrepreneurs who have successfully grown their business have, unfortunately, had to overcome more struggles than their male counterparts. The playing field is certainly not even, but the landscape has begun to improve in recent years, as our research has shown. However, there is still room for improvement and, in order to pave the way for more women-powered companies to emerge and thrive, we must work together to address the structural barriers to economic opportunity for women in business. Ⓣ

jpmorgan.com