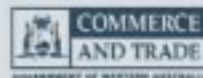


Pathways to Independence

A SEMINAR FOR WOMEN APPROACHING BUSINESS

*Proceedings of forum held
19 October 1999*

Organised by:



A seminar for women approaching business

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Introduction

The Response by the Government of Western Australia to the Report by the International Year for the Eradication of Poverty (1996) Taskforce indicated that an event would be held each year to mark the International Day for the Eradication of Poverty (17 October).

In seeking to focus on one of the primary groups identified by the Taskforce - women, especially sole parents - and recognising that employment is a key factor in the eradication of poverty, the 1999 forum provided an introduction to small business options for women.

The forum, Pathways to Independence, was a joint initiative by Commerce and Trade and the Women's Policy Office. It also brought together a range of speakers from government and non-government agencies and individual business women who shared their insights and experiences with forum participants.

When opening the forum the then Minister of Women's Interests, the Hon. Rhonda Parker MLA, said that 'Starting a business gave women an opportunity to establish and maintain financial well-being for the rest of their lives'.

'Whilst the challenge of establishing and operating a business is not for everyone it could be extremely rewarding,' she said.

Mrs Parker also acknowledged that women sometimes lacked the confidence and resources to begin and needed help to overcome these initial barriers. Therefore, the State Government was developing strategies to act as 'circuit breakers' in the cycle of poverty that was a daily reality for many women.

'About 36% of small business operators are women and that figure is growing as women are starting businesses at more than double the rate of men. Combine this with the fact that the small business sector now employs about 51% of people in this State and we see what potential there is for women in this area,' she said.

More than 100 women attending the seminar were presented with an opportunity to hear from women in business, to network with other women and to gain valuable information on the resources available to them.

A summary of each speaker's presentation is provided in this paper and further information about the seminar may be obtained by contacting the Women's Policy Office. For contact details see appendix 1.



Executive Summary

A growing number of women are taking up the challenge of owning and managing their own businesses as a means of gaining greater professional and personal satisfaction, and financial independence.

About 36% of business operators today are women and the figure is expected to climb to 50% in coming years.

Owning and operating a business allows women to gain greater autonomy, independence and flexibility, and provides scope for them to be creative and earn more.

Women business owners usually operate sole traderships (employing only themselves) or micro businesses (employing less than five people). Their businesses are mostly involved in service industries.

Generally, women start businesses with less than \$10,000 capital (often less than \$5000) and use their savings or loans from family members as their source of finance.

In the past, women tended to be less innovative, focusing on product or service quality rather than business growth. But this is changing as women gain confidence and better business skills.

Some keys to success for women in business include:

- Undertaking personal and business planning
- Setting goals
- Seeking advice, support and help from a range of people and organisations, including government agencies, family and mentors
- Gaining an understanding of their strengths and weaknesses, then building on strengths while working to overcome any weaknesses
- Accepting responsibility for personal and professional development
- Being passionate about the business
- Remaining positive, confident and decisive
- Maintaining a balanced life.

The benefits of self-employment include:

- Greater independence
- Reward for effort
- Increased opportunity for professional development
- Increased flexibility, allowing women to juggle work and family responsibilities
- Greater earning capacity
- Opportunity to work with and learn from a wide range of people
- Possible creation of an asset that can later be sold

Globalisation and information and communication technologies present new opportunities for women business owners. Operating in international markets is an emerging challenge whilst the Internet and E-Commerce (electronic commerce) are allowing businesses to target new markets around Australia and the world, or to focus on particular market niches. Women should be encouraged to seize the opportunities offered and make the leap into self-employment.

There are many organisations and individuals who are able to provide information which can maximise the chance of success. Details of such services can be found in Appendix 1.



Seek and ye shall find satisfaction in small business.

Seek and ye shall find satisfaction in small business

Speaker: Professor Leonie Still, Graduate School of Management, University of Western Australia; President, Women's Advisory Council of WA

A growing number of women are taking up the challenge of owning and managing their own businesses as a means of gaining greater professional and personal satisfaction.

Giving a historical — and also forward-looking - perspective on women in business, Professor Leonie Still said about 36% of business operators today were women and this figure was expected to climb to 50% in coming years. This compares with female business ownership of just 5% prior to the 1970s.

This trend toward business ownership and self employment represents a significant social change for women and was being driven largely by middle-class women becoming disillusioned with and opting out of the corporate world.

During the 1980s, women started businesses as a means of gaining greater autonomy, independence, flexibility, scope for creativity and increased earnings, and because they were tired of working for someone else.

A decade later, women were still seeking greater independence, creativity and flexibility but were thinking more like business people, identifying gaps in the market and finding ways to plug them.

'Generally, men start businesses to generate money,' said Professor Still.

'Women, on the other hand, are more focused on providing a service and challenging themselves.'

Offering a profile of women business owners, Professor Still said they:

- Usually operated sole traderships (employing only themselves) or micro businesses (employing less than five people)
- If in partnership, were usually in a mixed gender partnership (i.e. husband and wife teams)
- Were mostly involved in service industries
- Most (more than 80%) worked full time
- Rent commercial premises rather than work at home
- Are generally 30-54 years of age, although younger women were now taking up the self employment option
- Are mostly married with children, and
- Are usually well educated.

Women business owners either:

- Have participated in the Government's New Enterprise Incentive Scheme - known widely as NEIS — which provides business training and financial support to people starting new enterprises (Note: There are certain criteria that have to be met in order to be eligible.)
- Consider starting a business as a means to 'buy themselves a job'
- Are 'corporate refugees' tired of working in traditional organisations and perhaps having encountered the 'glass ceiling'
- Have a particular skill or creative drive
- Are 'gazelles' — women business owners who, like their male counterparts, are prepared to grow the business
- Have been or still are involved in family businesses or partnerships
- Have been involved in business before.

Generally, women start businesses with less than \$10,000 capital (often less than \$5000) and use their savings or loans from family members as their source of finance.

In the past, they have also tended to be less innovative, focusing on product and/or service quality rather than business growth.

'They have been what we call 'satisficers' rather than 'expansionists',' explained Professor Still.

'They don't necessarily want to grow the business. They want to keep it small and remain in control where men tend to want to grow a business via mergers or other means.'

'But this is changing as women gain confidence, get better at marketing, access mentors, and are networking and sharing experiences.'

'There are more positive female role models today who are leading the way for women in business.'

'The future looks bright for women who wish to enter self-employment and control their own financial destiny.'

Success doesn't just happen — you have to plan it

Success doesn't just happen — you have to plan it!

Speaker: Sharon Brown, Manager of Network Services, AlphaWest;
1999 Telstra WA Business Woman of the Year

At the ripe old age of 20, Sharon Brown set herself three goals to achieve by the time she was 40:

1. **To own a house**
2. **To own a convertible car, and**
3. **To own a 28-foot Bertram power boat.**

Sharon achieved all of them, and more, and this year was named the Telstra WA Business Woman of the Year – an achievement she describes as a career highlight.

'But success doesn't just happen,' asserts Sharon. 'You have to have a goal and a plan and go for it!'

'Along the way, you need to seek input from other people and find some good mentors. Don't be afraid to ask for help – help is priceless and there are plenty of people out there who are willing to share their information and experience.'

'Build a team of experts and motivators around you rather than trying to go it alone.'

It's all sound advice from a woman who should know. After starting her career in what was West Australian Government Railways (now Westrail), Sharon went on to sell multi-million-dollar satellite systems to WA mining companies, worked in Alaska selling high-tech communications systems, dabbled in real estate, and now manages more than 80 employees across three divisions of the WA-based information technology company, AlphaWest.

She is also the first female convener of the Australian Information Industry Association.

'I was always quick to learn and got noticed because I was always trying to find ways to do things quicker and better,' said Sharon.

'I don't have any special qualifications. I taught myself and broadened my horizons through professional development. I read books and journals and, most important, found some good mentors.'

Sharon advises women entering business. 'Don't be your own worst enemy. Build confidence that you can function effectively outside your comfort zone. Be positive and don't let anyone put you down.'

She said. 'I read a book called 'Feel the Fear and Do It Anyway'. That's it! Business life is not all smooth sailing, but we all have to learn how to push on – how to learn from our mistakes and keep growing.'

Other keys to success include:

- Keeping the door open — promote two-way communication at all times
- Listening, to both customers and employees
- Asking open questions
- Finding ways to maintain everyone's composure — whatever the circumstances!

Sharon also stresses the need for a balanced life. She:

- Keeps fit by diving, walking the dog and riding her horse ('it's important to de-stress')
- Has earned her skipper's ticket so she can skipper her boat
- Cooks most meals and maintains a healthy, balanced diet
- Has a housekeeper ('women shouldn't try to do it all')

Summary

1. Set some goals and develop a plan of how to achieve them
2. Find some mentors, advisors, motivators – don't go it alone
3. Accept responsibility for your own personal and professional development
4. Communicate – promote two-way communication and learn to listen effectively
5. Maintain a balanced lifestyle
6. Feel the fear and do it anyway – remain positive and confident.

Be what you want to be — and be it now

Be what you want to be — and be it now

Speaker: Julie-Ann Harper, Director, Business Starters Network Pty Ltd

There is an old song that goes: 'Do what you want to do, be what you want to be, yeah.'

Julie-Ann Harper was echoing the same message when she spoke about women approaching self-employment. She said many women believed that traditional employment offered security and stability but this was a fallacy.

'Security is something that comes from inside you,' she said.

'More women are discovering the benefits of self-employment, which include flexible working hours, better incomes, the chance to develop their own ideas, and to be their own boss.'

'Self-employment can give you a sense of achievement, independence in decision-making, and the ability to create jobs for others.'

'You also control your own destiny and, in the process, may create an asset which you can later sell.'

Julie-Ann said anecdotal evidence suggested that women were more successful than men at starting small businesses. Businesses started by women were less likely to fail in the first year than those started by men, however, she urged women to make an honest appraisal of themselves and their lifestyles before starting a business.

To promote success in their business ventures women should:

- Set goals
- Establish a vision (then mentally visualise it since 'visualisation' often leads to 'actualisation' — i.e. Turns the dream into reality)
- Accept responsibility ('you have the ability to choose your response,' she said)
- Banish mediocrity
- Become self-disciplined and persistent
- Be what they want to be now.

Julie-Ann believes that one of the key factors in developing a successful business is to have a passion for what you are doing. 'Follow your strengths and interests — the things you are passionate about — and believe in yourself and your business,' she said.

It is also important to:

- Undertake some management training
- Create real market opportunities (look at what's needed in the market rather than just what you can deliver)
- Gain experience
- Develop a business plan and check to see that it is viable
- Enlist family support
- Continually work to improve the business image, product and service
- Build on strengths (focus effort and resources)
- Strive to be the 'best' rather than the 'biggest'
- Seek and use expert advice
- Recognise risks
- Avoid over-dependence on others
- Manage resources
- Be decisive and assertive
- Manage time and money
- Keep accurate records
- Network with others.

'Starting a business often involves risks,' said Julie-Ann. 'But the biggest risk is not to take them.'

Diversity makes for fascinating business

Diversity makes for fascinating business

Speaker: Isabelle Adams, Managing Director, Vision Network Pty Ltd

As an Aboriginal woman occupying a senior management position in the Education Department of Western Australia for many years, Isabelle Adams has always been in the business of encouraging diversity.

Now, diversity is her business.

Isabelle set up a company that provides traditional services such as consultancies in education and strategic planning and the promotion of financial education programs, with more non-traditional activities such as distributing products through network marketing and services as a clairvoyant.

'Diversity is the nature of my business,' said Isabelle. 'These activities are all separate but all inter-relate in some way.'

Given her qualifications and management experience, setting up the business would have been easy for someone like Isabelle, right?

Not so, according to Isabelle. She had to change her way of thinking to create what she calls a 'wealth creation' mindset and had to learn 'possibility thinking' in business.

Before leaving her public sector employment, she invested time and money on a variety of courses and seminars to learn these new skills.

Having made the leap into self-employment, she then faced another series of challenges.

'I had to find ways to sell myself and my business, and when you're Aboriginal and female, that takes courage,' said Isabelle.

'I had to learn how to cope with feelings of rejection, not only from clients but from family and friends as well.'

'It takes 'positivity' and courage to keep going when your family and friends are not supportive.'

Managing time and money were also difficult. Isabelle said it took time to build up the business and she needed money to keep her going while it was getting established.

She managed this challenge by being practical and flexible, swinging between being self-employed (providing services from outside a client organisation) to a short-term employee (working within an organisation for a short time). Going into business need not be 'all or nothing', often the transition period includes time spent both as an employee and self employed. Perhaps the increased casualisation of the workforce, with a move to greater flexibility and use of part-time and contract employees, will facilitate this transition.

Despite the early hurdles, the rewards have been worth the struggle.

Isabelle says she now has a sense of independence and choice in her work, and is rewarded for effort.

'There are fewer organisational politics to contend with and I now have lots of opportunity to network with and learn from other people,' she said.

'My goals for the future are to increase my income and to run a business at a State, national and international level.'

'I aim to make money work for me rather than me work for money.'

For Mimi, Australia really *is* the land of opportunity

For Mimi, Australia really *is* the land of opportunity

Speaker: Mimi Wong, General Manager, Joy Tours

Mimi Wong was practising good strategic planning even before she knew anything about owning and operating a business.

When she first started thinking about a business, Mimi intuitively employed one of the fundamental tools of strategic planning: a SWOT (strengths, weaknesses, opportunities, threats) analysis. This involves evaluating your strengths and weaknesses, and considering the opportunities and threats facing your business.

When Chinese-born Mimi migrated to Australia 22 years ago, there were few Asians and even fewer job opportunities. With no formal qualifications, and struggling with the English language, there seemed little hope of ever finding a job.

That's when Mimi's determination and sense of her own capabilities kicked in. She started evaluating her personal strengths and searching for opportunities, and discovered she had one thing that few others did: she could speak Chinese.

With \$600 and a few new business skills she'd picked up from watching education programs on TV, Mimi started a tour company, specialising in tours for Chinese tourists.

'I knew I had to focus on the Chinese market because that's where I had the competitive edge,' Mimi said.

The business thrived. Then, after three years of building a successful company, Mimi decided to sell. That's when she learnt a very important business lesson.

The new owners failed to honour their contract to pay goodwill for the business. They also started dealing with overseas agents — the people with whom Mimi had carefully nurtured relationships — and then refused to pay them. Mimi felt she had lost a lot of good business friends.

Undefeated, she bounced back. She wanted to become better at marketing, so decided to hone her skills by taking a sales position that paid her on commission. In other words, she identified a weakness in her own skills development and turned it into a strength.

Then, 10 years ago, when full fee paying Asian students started flocking to Western Australia, Mimi started another business. She had identified an opportunity and wasn't about to let it pass her by.

Now, she runs the successful tour company, Joy Tours, which employs more than 20 staff. Mimi still has a competitive edge in catering for the Asian market, although others have now entered the market.

And she's keeping a watchful eye on possible threats.

'The industry is facing big changes with technology developments,' Mimi says. 'The Internet poses a threat (because it gives travellers the opportunity to cut out the middle person), but it also potentially offers new opportunities and I'm looking for what they might be.'

Mimi's advice to migrants starting a business:

- Learn about the local market and culture — understand how Australian society works and how potential customers think
- Keep an open mind — accept cultural and individual differences.

And some more general business tips:

- Work hard
- Be stubborn
- Listen to customers
- Learn to tackle issues step-by-step
- Learn to control your emotions (don't let your heart rule your head)
- Know where you're going and plan how you'll get there (focus and plan).

E-Commerce: just get on-line

E-Commerce: Forget the technology — just get on-line!

Speaker: Jackie Gill, Project Leader, Office of Information and Communications, Department of Commerce and Trade

'Forget the technology — just say 'this is where I want to go' and make it happen.'

That was the advice from E-Commerce Project Leader Jackie Gill who, a couple of years ago, was running a business from a WA country town via the Internet to service clients around Australia that she had never met!

Jackie claims E-Commerce is changing the way we do business. E-Commerce is basically any business transaction or service conducted electronically and includes everything from 'smart' cards and Automatic Teller Machines to buying and selling goods on the Internet.

'E-Commerce doesn't replace a traditional business, but should complement it,' said Jackie.

'It presents a whole new range of opportunities and threats but too often people get hung up about the technology and don't do anything. Forget the technology and get on-line.'

Some E-Commerce opportunities include:

- Targeting niche markets via the Internet. For example, there is a WA woman who buys and sells rare Barbie dolls on the 'Net'.
- Expanding an existing market by breaking down geographical barriers. With the Internet, people from all around the world can access your products and/or services.
- 'Clustering', which occurs when similar businesses or organisations work together to brand their product or service, or achieve greater economies of scale. By working together - through electronic trading networks, for example - small businesses can make better use of resources.
- Creating a 'customer lounge' on the Internet so customers can feel like they are part of a business 'family', hearing about new developments and being more involved in the process of buying goods and services.

But where there are opportunities, there are often also threats... especially if your competitors are taking advantage of the technology and you're not!

Some threats include:

- Large, well-branded international companies can now access the Australian market through the Internet.
- Opportunities for companies to sell direct to customers via the Internet, cutting out the retailer or other agents who may previously have on-sold their product or service. For example, people can now book airline tickets via the Internet rather than having to book through travel agencies (see Mimi Wong's story).

The list goes on, but the trick, says Jackie, is to heed to a basic business principle: Be aware of the threats and try to turn them into opportunities.

'E-Commerce is no different. Find out what it offers and where it can take your business, and then make it happen,' she said.

For more information on E-Commerce, visit the Department of Commerce and Trade web site at <http://www.commerce.wa.gov.au>.



It's different, but international business is rewarding

It's different, but international business is rewarding

Speaker: Janine Marsh, Director, The Marsh Partnership (Aust.) & Marsh Design International (Singapore)

You have to do things differently when you work overseas, but the rewards can be great, according to Janine Marsh.

For her, those rewards include working on exciting projects and meeting interesting people.

It was always part of Janine's plan to work internationally. When she started her Australian business, she set some goals: within five years she would be doing business in Asia, and within 10 years would have a business based there.

These days, Janine has clients in a number of Asian markets and an office in Singapore.

She selected Singapore as the location for an office because it offered a regional focus and would provide a base from which to reach other markets.

One of the essential first steps in international business is market research, finding out what markets exist and how they operate, taking cultural factors into consideration.

Then you have to develop some contacts in that market and Janine advocates setting up a 'buddy system', sharing experiences with other businesses operating in the same market and making contacts in government and quasi-government agencies.

It is also worth investigating what networking opportunities exist such as professional or industry groups, and consulates. A simple letter of introduction from a bank may open a door. 'It is important to develop relationships with people who will promote your business,' said Janine.

'This can be achieved in a number of ways. A couple of ideas include developing consortiums with other businesses operating in the same market, or developing cooperative marketing groups with other Australian businesses working in the same market.'

Janine also recommends taking advantage of various assistance programs that are available to Australian businesses trying to break in to international markets.

Once established overseas, you then have to 'do the business'. Janine's advice includes:

- Maintain regular communication with clients
- Understand the culture of the country in which you are operating
- Recognise that business is done differently
- Persevere — believe in yourself
- Make a decision whether to establish a base in the country of choice or make regular visits to keep in contact with clients.

It was also very important to constantly review and assess how your overseas business was developing and at what cost.

'It's no good working internationally if your other business at home is suffering,' said Janine.

Panel discussion

Panel members representing organisations that are able to provide financial support and advice to women seeking to establish their own businesses provided a brief overview of their agencies and were then asked a series of questions by audience members.

Panel members

Larissa Beeson, Challenge Bank — Larissa heads up a team within Business Banking which is focussing on electronic banking solutions for businesses.

Carol Whish-Wilson, Arts WA — Carol manages business development initiatives for the arts, including the Arts Investment Program and Arts Venture Capital.

Cathy Stewart, Women's Economic Development Organisation (WeDo) — WeDo is a managing agent for the New Enterprise Incentive Scheme, a business training course for young women which also includes the preparation of an individual Business Plan.

Richelle Moran, Small Business Development Corporation — Richelle project manages franchising and women in business, including the Women in Export Network.

Questions

Q: How can you get finance for a part-time, home-based business?

The same principles apply to any business. If seeking finance from a bank or lending institution, you need to be able to demonstrate that your industry and your business venture are well understood. The way to do this is to develop a detailed business plan. Another option is to use a credit card.

Q: What training programs are available for older women?

WeDo provides services for women of all ages. Contact: WeDo, ph: 9227 8583

Q: If I'm sub-contracting, where can I get a contract checked out?

Advice is available from the Small Business Development Corporation, ph: 9220 0222 or freecall 1800 199 125.

Q: Where can I get advice on franchising?

Advice is available from the Small Business Development Corporation, ph: 9220 0222 or freecall 1800 199 125.

Most banks have a Franchise Manager who may be able to assist.

Information is also available on the Internet.

Q: What charges apply for accessing information or advice through WeDo or the Small Business Development Corporation?

Much information and advice is free.

At WeDo, the first consultation is free, but charges may be incurred after that.

The best way to find out is to ask.

Q: How detailed does a business plan need to be?

The level of detail required depends on the purpose for which the document is being developed. If you are seeking capital, it will need to be quite detailed.

It should also be a living, breathing document that is constantly being reviewed.

Free information on business planning is available from the Small Business Development Corporation website: <http://www.sbdc.wa.gov.au>

Q: How can you find out what government support, assistance, funding, etc. is available?

You can search a database called BizLink at the Small Business Development Corporation's business information centre on Hay Street, Perth.

Q: What is NEIS?

This is a federal government program called the New Enterprise Incentive Scheme, which aims to foster new business development. It is designed to help unemployed people start a business by providing training and financial assistance. For details, contact WeDo, ph: 9227 8583.