

Defining Women Entrepreneurship

AN OVERVIEW OF CHALLENGES AND CONSIDERATIONS



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Canada 

Defining Women Entrepreneurship

The picture of women's entrepreneurship depends on how we frame our understanding of entrepreneurs

- Women-owned small and medium enterprises (SMEs) in Canada - 15.6%
- If include self-employed women, jumps to 37.4%
- Many women don't see themselves as entrepreneurs
- Defining the term "woman"
 - Is it inclusive of individuals who identify as women, gender fluid, and non binary?



Definitions Used By Canadian Federal Organizations

- Canada's federal organizations do not have one uniform definition of a women-owned business.
- Commonly used:
 - More than 50% of the ownership share is women-owned (used in business development)
 - More than 51% of the ownership share is women-owned (used in statistics, trade, procurement)
- Some programs also allow for women-led businesses

Women-owned vs. Women-led

- It's important to make the distinction between women-owned and women-led
- Some companies may be majority-owned by women with male leadership, while others may be majority-owned by men with significant female leadership.
- Women-led businesses is currently tracked less often in government programming but is changing.
- New initiatives in Canada:
 - [50-30 challenge](#) (to increase representation and inclusion of diverse groups within private sector workplaces)
 - [Bill C-25](#) (diversity-related disclosure requirements regarding directors and senior management)

Considerations

- 1) Using controlling shareholder (where a shareholder owns the largest number of a company's outstanding shares) as a definition could be an option to explore
- 2) Focusing solely on ownership may not address the leadership gap for women in industry
- 3) Assessing the corporate culture including whether the senior leadership team promotes equality and advancement of women into management roles is a consideration to explore
- 4) Exploring biases that impact women-owned businesses accessing capital

Challenges

- 1) Variance in international data consistency poses a challenge to the development of an international definition of a women-owned business.
- 2) Seeking to maintain the standard of a 51% women-owned definition can pose a challenge for women-owned businesses to raise equity capital, particularly in industries that require significant investment to scale.
- 3) Early stage companies founded by women may only be able to meet the required definition of women-owned prior to taking on investment, resulting in companies delaying/limiting investment, possibly affecting growth.

ISO Efforts to Standardize Definitions

- The International Organization for Standardization (ISO) working to develop a common, international standard for the term “women-owned business”.
- Currently pursuing a definition of **at least 51% ownership by women**
- ISO is also developing a separate definition of “women-led business”.
- the women-led definition would involve a **30% ownership** stake.
- Management and day-to-day control also key



Questions?

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Annex

Canada's Women Entrepreneurship Strategy

A whole-of-government plan that **invests nearly \$5 billion** to help women grow their businesses and increase access to the financing, talent, networks and expertise they need to start up, scale up and access new markets.



GROWING WOMEN-LED BUSINESSES

- **\$130M investment** to provide programming for women-owned or -led businesses, and the organizations that support them



INCREASING ACCESS TO CAPITAL

- **\$1.4B over 3 years** in loans to women-owned businesses
- **\$2B by 2023 of financing and insurance solutions**, on commercial terms, for women-owned businesses exporting or looking to export



IMPROVING ACCESS TO FEDERAL PROGRAMMING

- Federal departments supporting the development of **accessible information and best practice resources** on women entrepreneurship, and **women's access to all business programming**



ENHANCING DATA AND KNOWLEDGE

- **\$8.6M** to establish a **Women Entrepreneurship Knowledge Hub** for the dissemination of research and best practices for women entrepreneurs

GOAL: INCREASE THE NUMBER OF MAJORITY WOMEN-OWNED BUSINESSES IN CANADA