



BUSINESSWOMEN GROW ECONOMIES SINGAPORE IS NEXT

The S\$95 billion opportunity



INTRODUCTION

To strengthen and accelerate the economic growth and productivity of Singapore, recent research underscores the benefits of growing the number of women-owned businesses.

Women entrepreneurs have succeeded in a wide range of industries across Singapore’s economy. Notable standouts include Claire Chiang of Banyan Tree (hospitality), Nichol Ng (food and beverage), Susan Chong (Greenpac), Tan Hooi Ling of Grab (transportation) and Rachel Lim of Love, Bonito (fashion), among many.

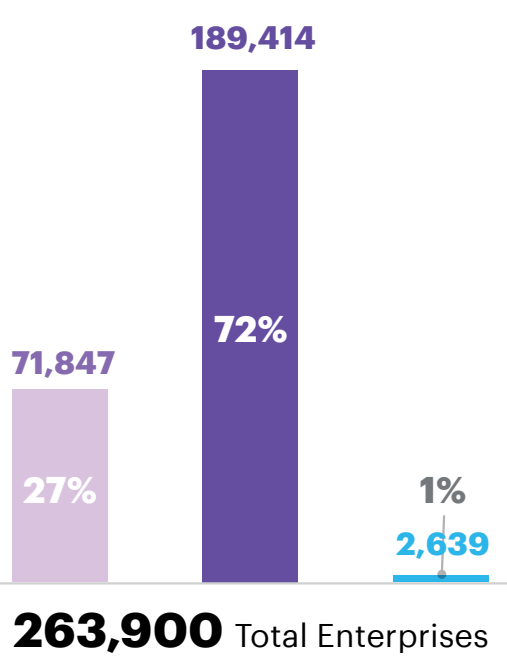
That said, like developed markets around the world where the gender imbalance is often three to one, women-owned businesses are underrepresented in Singapore, constituting only 27% of all businesses, and 13% of sales. This is on par with countries such as the United Kingdom, Canada and Switzerland, while slightly lower than levels in New Zealand and the United States.¹ Even though Singapore has higher female entrepreneurship rates than many countries, their male counterparts (men-owned businesses) nearly triple them in number and sales. Getting to equal would be breaking new ground among nations, something that Singapore has accomplished in many other economic arenas. This would be of great value locally, and present the way forward for other countries with similar ambitions.

Most women-owned businesses in the WEConnect International network are in the professional services sector and advertising. Getting to equal will require much broader diversification of industry. Elizabeth Vazquez, CEO of WEConnect International, comments: “Women represent a third of the world’s private businesses, they’re half the population, they make or influence over 85% of all purchasing decisions. We need women and men to be in our value chains. We need them to step up and deliver solutions to the problems that we all face. And women are uniquely qualified, because of their life experience, to provide solutions that right now, we don’t have access to.”²

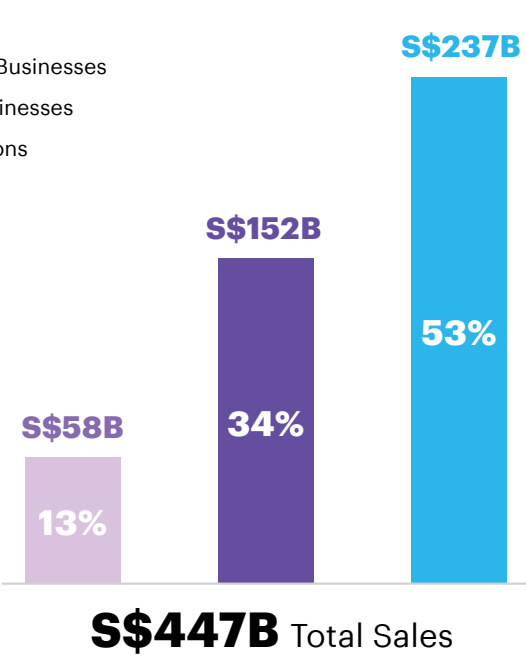


SINGAPORE BUSINESS LANDSCAPE

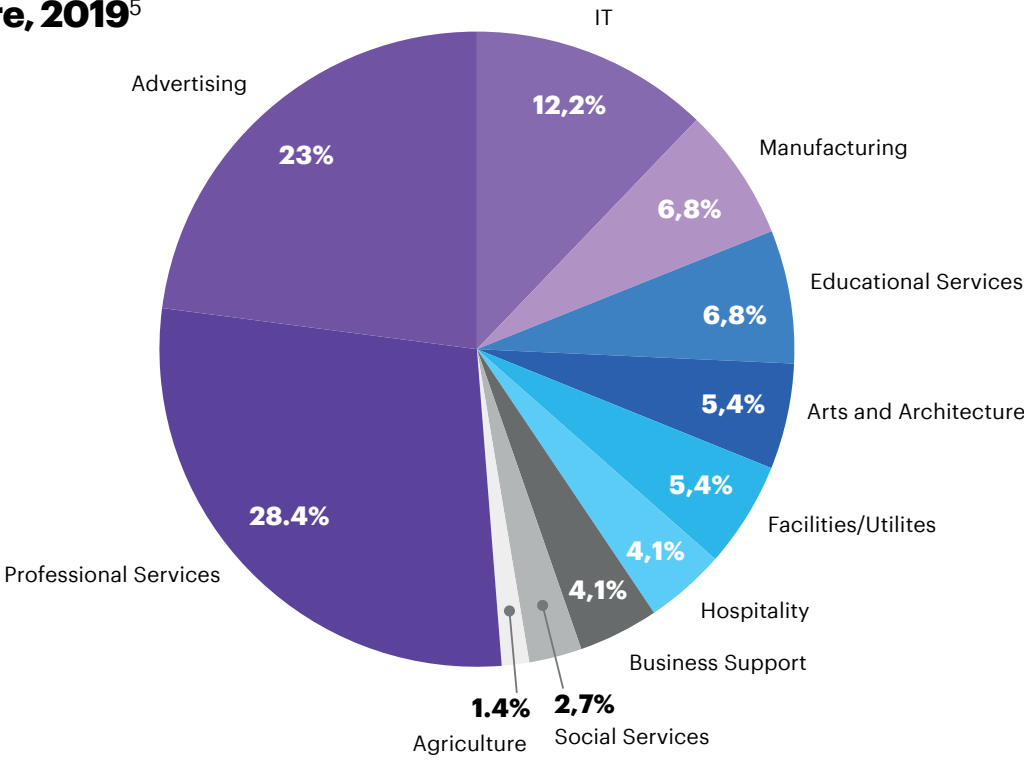
Number of enterprises in Singapore, 2018³



Sales of enterprises in Singapore, 2018⁴



Industry breakdown of women-owned businesses in Singapore, 2019⁵



THE CASE FOR GROWING WOMEN-OWNED BUSINESSES

Reaching an equal number of women-owned businesses and men-owned businesses could add **S\$95 billion** to Singapore's economy—roughly **20% of gross domestic product (GDP)**.

Approximately 120,000 new women-owned businesses would be value additive to the economy. Based on productivity data of the past two decades, analysis shows that every increase in the number of women-owned businesses results in an increase in growth.

In scenarios where new women-owned businesses do replace men-owned businesses through buyout or competition, Singapore still benefits from a more competitive economy.

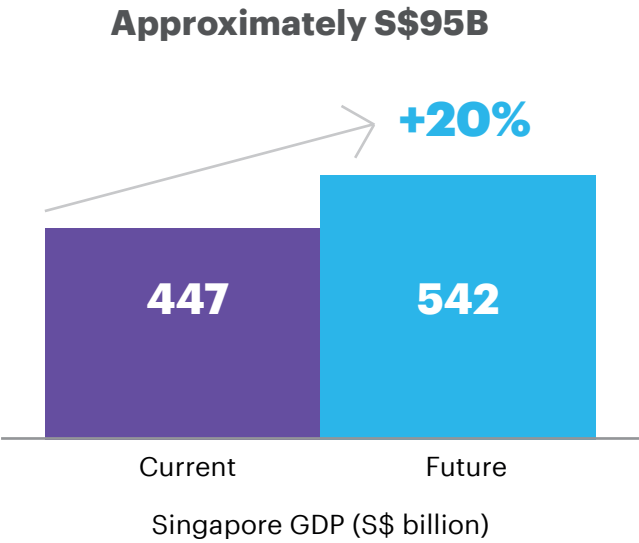
To help women-owned businesses flourish, and for Singapore to capture this substantial economic gain, actions are needed to remove barriers and build enablers.

“

...equality must not just be formal, but substantive, and takes into account the unique challenges, needs that women face, and the specific effects that policies have on them, to truly level the playing field.”⁶

Mr K. Shanmugam
Minister for Home Affairs and Law, Singapore

Increase in Singapore GDP by increasing the number of women-owned businesses



WAYS TO GROW WOMEN-OWNED BUSINESSES

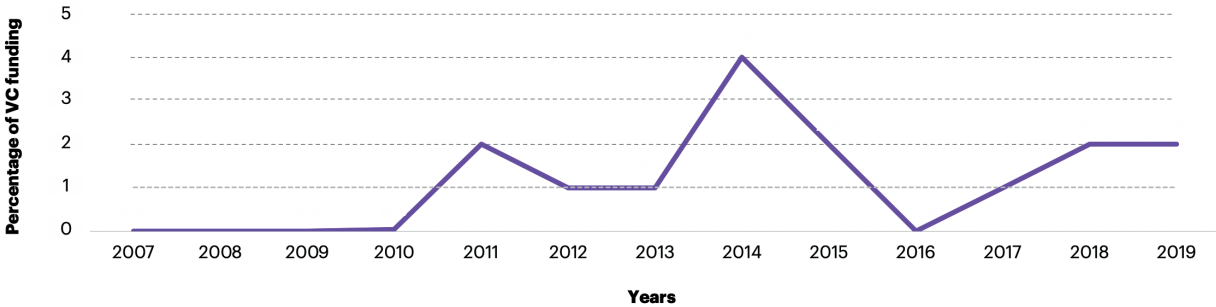
Joint research recently conducted by Accenture and WEConnect International, and supported by The American Chamber of Commerce (AmCham) Singapore, highlights barriers faced by women-owned businesses in Singapore in four main categories.

Business-to-business market access is hindered by elaborate procurement processes major corporations have in place, and a lack of the key relationships that women-owned businesses need to compete effectively and to grow. Among women-

owned business survey respondents, 65% pointed to market access as the top business challenge, while 35% found it challenging to identify growth opportunities.

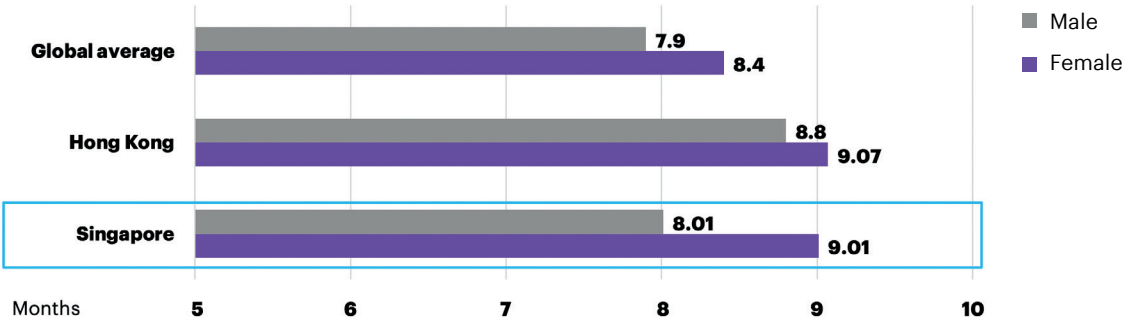
Financial access, characterized by longer capital cycles for women-owned businesses and smaller investment amounts, may be linked to gender-biased practices. Specifically, it takes a month longer for Singapore women-owned businesses to raise capital, while women-owned businesses' average share of venture capital (VC) funding over the last decade was a mere 1.3%.

Singapore women-owned businesses' share of venture capital funding, 2007-2019



How long did it take/how long has it taken so far to raise capital?⁷

(in number of months)

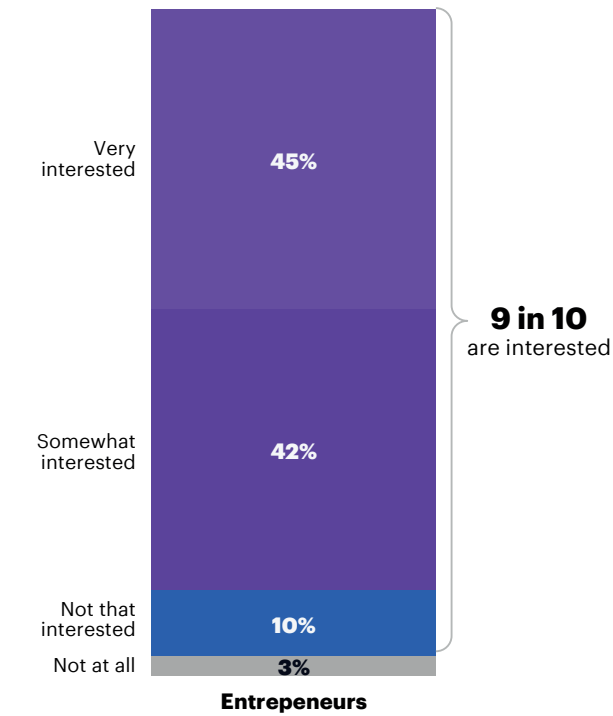


Enterprise capabilities are lacking as a result of the difficulties in hiring talent and filling professional skills gaps among the business owners themselves. Among women-owned business survey respondents, nine in 10 women-owners were interested in business development programs focused on upskilling, especially in areas such as strategy, finance and technology.

Women-specific barriers severely impact women-owned business formation and growth. As many as 68% of respondents highlighted balancing work and family and other responsibilities as a significant challenge, especially in meeting children's needs and family expectations. Additional significant challenges include navigating negative perceptions, gender bias and a perceived lack of credibility.

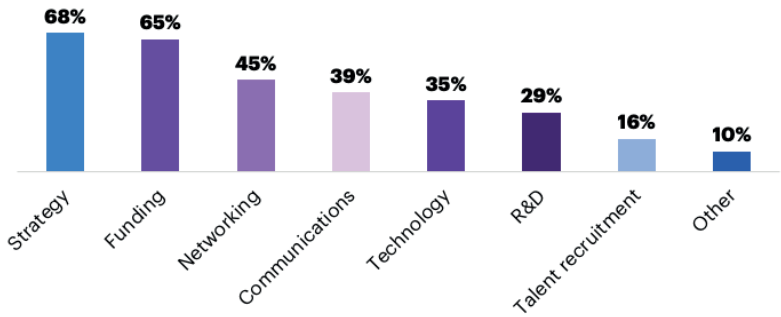
Interest in participating in a business development program

(% of survey respondents)



Most desired skills to gain

(% of survey respondents)



Top women-specific business challenges

(% of survey respondents)





IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS

WEConnect International conducted a recent global survey⁸ to assess the impact of COVID-19 on women business owners.

87% of respondents indicated that they have been impacted negatively by COVID-19. However, women are adapting to optimize or refocus their businesses:

- 54% reported identifying and cutting unnecessary expenses
- 42% have shifted to a digital business model
- 37% are growing an area of business in response to local or global needs
- 34% identified new business opportunities

“

Covid-19 has brought to the forefront a slew of issues that women have been facing for years, such as bearing the main caregiving responsibilities in the household, and being held to different standards at the workplace.”⁹

Ms Rahayu Mahzam
Parliamentary Secretary for Health, Singapore

ENABLING WOMEN ENTREPRENEURS

Several enablers can help address women-specific barriers.

Market access can be improved by supplier diversity and inclusion programs, women-owned business certification, business matching platforms and procurement mentoring.

To **mitigate access to financing challenges**, leading companies and banks are developing working capital and financial support packages, along with proactively working with women-owned businesses to make them more “bankable”.

Tailored upskilling events and external business training can help women-owned businesses bridge capability gaps.

Lastly, well-designed **mentorship programs** can play a crucial role in helping women overcome entrepreneurship hurdles, as well as targeted campaigns on the critical role of women as business owners.

“

When we say women have choices, are they real choices? Are they able to fulfil their potential, be the best that they can be, in an unencumbered fashion that does not require them to settle for second best?”¹⁰

Ms Sun Xueling
Minister of State for Education and Social and Family Development, Singapore



AN ECOSYSTEM APPROACH CAN HELP GROW WOMEN-OWNED BUSINESSES

There are four groups that can help women-owned businesses grow successfully, and through working together create a powerful ecosystem for growth.

Large businesses are in a powerful position through their buying needs to provide women-owned businesses with greater access to markets, networks and industry expertise. For example, multinational healthcare company Johnson & Johnson committed globally to spend with local and diverse suppliers, tracking these metrics annually.¹¹

Financial institutions, from banks to venture capital and private equity firms, can help women-owned business small and medium-sized enterprises (SMEs) by providing technical assistance on financing requirements, as well as working to develop flexible products that provide greater access to money. Goldman Sachs, for example, announced their global initiative 10,000 Women to provide practical education, mentoring, networking and access to capital for women entrepreneurs.¹² The bank also partnered with International Finance Corporation (IFC) to create a global finance facility for women entrepreneurs, reaching US\$1.45 billion in commitments.¹³ The Council on Scaling Women-Owned Businesses has produced a report entitled, “How to Rebuild Global Business for Good” which sets out why it is critical and urgent to connect access to markets with access to capital for women-owned businesses to ensure inclusive and sustainable global growth.¹⁴

Government can introduce policies and programs to reduce barriers for women-owned businesses and increase investment in

them. Business Women in International Trade (BWIT), under the auspices of Canada’s Trade Commissioner’s Service, serves as a matchmaker for Canadian women entrepreneurs, helping them enter international markets.¹⁵ Singapore, in particular, can look to enhance the rich set of existing initiatives so that they more directly support women-owned businesses.

Non-governmental organizations (NGOs) play a critical role in building bridges between women-owned businesses and potential buyers, as well as provide needed mentorship and expertise for both buyers and suppliers. For example, WEConnect International provides women-owned businesses with business training and networking sessions with large buyers,¹⁶ and offers free women-owned business registration in almost all countries and women-owned business certification in over 45 countries, giving them greater access to buyers locally and globally.¹⁷ In 2019, WEConnect International facilitated over 1,000 connections between women business owners and large procurement organizations, resulting in deals and collaborative engagements between women-owned businesses and WEConnect International member buyers.

Locally, AmCham Singapore’s SME ACCelerate and AmCham Women leadership programs provide opportunities for women-owned businesses to be part of a business community where they can navigate the challenges, share advice, receive guidance, and pool their energy and resources to support each other in achieving greater success.¹⁸ Additionally, SME ACCelerate facilitates partnerships with AmCham Singapore’s multinational member companies seeking to diversify their supplier base.¹⁹

NEXT STEPS

There are four key actions that interested organizations can take immediately.



First, assess the as-is state of women-owned businesses in your strategy and supply chain. For existing programs/policies, review what and how much support is given to women-owned businesses, and what are the success factors and the areas for improvement. Review how much is being spent with women-owned businesses, on what, and understand their participation level in the bidding process.



Second, develop and communicate, internally, and externally, bold women-owned business goals for inclusive spend, participation, and support. Partner with NGOs such as WEConnect International that were created by buyers to support women-owned business spend and inclusive sourcing.



Third, implement the programs/policies that will deliver action and results. Assess what the target state looks like, what funding will be made available for outreach and support, and the training and networking sessions available.



Lastly, identify the key stakeholders, from across the enterprise, needed to make the program successful and sustainable and share with them the business case for supplier diversity and inclusion. Key stakeholders should include prime suppliers over time.



CONCLUSION

Singapore’s women entrepreneurs contribute to the economy in terms of innovation, revenue, job creation, community support and inclusive growth.

To achieve success, these women entrepreneurs have had to overcome barriers in addition to those that their male counterparts typically face. The recommended steps in this report can help to address these barriers, in turn enabling more women to realize their full potential and help significantly grow the economy.



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CONTRIBUTORS

Accenture

Dwight N. Hutchins
Managing Director, Accenture Strategy
SINGAPORE

Raj Gopalakrishnan
Manager, Accenture Strategy
SINGAPORE

Limon B. Rodriguez
Associate Manager, Accenture Research
SINGAPORE

Laurie A. Henneborn
Managing Director, Accenture Research
NEW YORK

Peter Zerp
Manager, Supplier Inclusion and Sustainability
AMSTERDAM

Nicole Ng
Consultant, Accenture Strategy
SINGAPORE

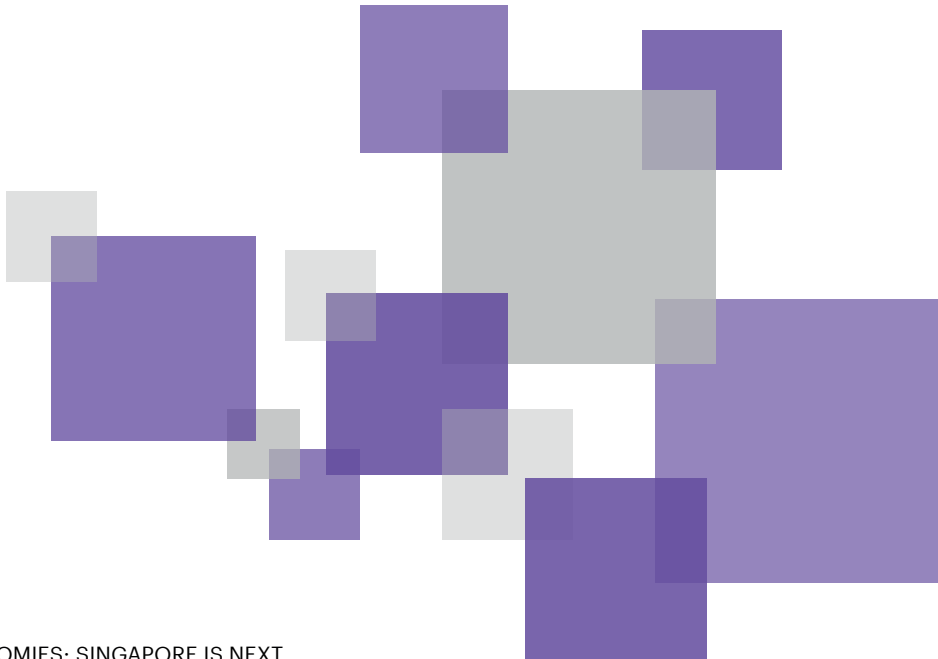
WEConnect International

Elizabeth A. Vazquez
Chief Executive Officer and Co-founder
WASHINGTON DC

Mrinalini Venkatachalam
Regional Director
SINGAPORE

American Chamber of Commerce Singapore

Dr Hsien-Hsien Lei
Chief Executive Officer
SINGAPORE



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About WEConnect International

WEConnect International helps women-owned businesses succeed in global value chains. It identifies, educates and certifies women business enterprises based outside of the U.S. that are at least 51% owned, managed, and controlled by one or more women, and then connects them with qualified member buyers. WEConnect International members represent over U.S.\$1 trillion in annual purchasing power and a commitment to supplier development and inclusive sourcing. The result is a network of corporate buyers working with women business owners based in over 120 countries that are learning, collaborating and winning new business. For more information, please visit www.WEConnectInternational.org.

About AmCham Singapore

Established in 1973, the American Chamber of Commerce in Singapore (AmCham Singapore) is the largest and the most active international business association in Singapore and Southeast Asia, with over 4,700 members representing nearly 600 companies. Our Chamber is comprised of 14 industry-specific committees: seven sectoral and seven functional.

AmCham is a forward-thinking, business-progressive association. Our mission is to create value for our members by providing advocacy, business insights, and connections. Our membership includes American companies and Singaporean and third-country companies with significant U.S. business interests. AmCham is an independent, non-partisan business organization. We are a member of the 28-chamber-strong AmChams of Asia Pacific (AAP).

Our goal is to provide the information and facilitate the access and connections that give members insight into the local, regional, and global operating environment, enhance their professional capabilities, and enable them to make well-informed business decisions. For more information about AmCham Singapore, visit www.amcham.com.sg.

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