Accelerating women founders: The untapped investment opportunity

SBE Australia

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About this report

This report, commissioned by SBE Australia, explores trends in women-founded businesses in Australia and the ecosystem in place to support these businesses.

This report considers the impact of these supports over the last 10 years. Three programs and investor networks are assessed—SBE Australia, Heads Over Heels, and Scale Investors—which are available to women entrepreneurs who are seeking to scale up their business. The total economic activity of businesses that have participated in at least one of the programs is also presented.

To inform the analysis, Deloitte Access Economics fielded and analysed a bespoke survey of 155 program participants and 218 non-program business leaders, conducted 8 consultations with past program participants, analysed insights from the latest Australian funding data from Techboard and conducted extensive desktop research. Deloitte acknowledges Techboard for providing the latest release of their data prior to publication in their upcoming report “Funding for women-led ventures: gender diversity in Australian start-up funding FY22” for inclusion in this report.

Further details about the methodology of the research are presented in the Appendix.

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Definitions and context: the business journey

**Start-up stage**

Start-ups are new businesses in the early stages of formation with high impact and growth potential. These businesses often raise pre-seed or seed funding.

**Scale-up stage**

Scale-ups are companies that have begun to build on early successes, innovation or technology developed during their start-up phase.

The Organisation of Economic Co-operation and Development defines scale-ups as companies growing at 20% per year for 3 years, with at least 10 employees at the beginning of the period.

**Maturity stage**

Eventually a business will reach a maturity stage where growth often will plateau. During this phase a business may continue on the current path, introduce an innovation that could spark further growth or decline.

**Funding and capital definitions**

- **Start-ups** often receive pre-seed funding, which refers to a preliminary round of funding, and usually comes from founders themselves, friends and family, accelerator programs or angel investors.
- **Seed funding** then follows pre-seed funding, and is typically provided by investors or venture capital firms (with average funding size of up to $2 million).
- **Venture capital** is capital invested in a project in which there is a substantial element of risk, typically a new or expanding business.

**Other definitions**

- **Women-founded businesses** is a key term used within this report, and refers specifically to businesses where women were part of the founding team. This is distinct to women-led businesses which can also encompass women business leaders who were not involved in the founding of the company.
- **Entrepreneurs** are people who seek to identify new products, processes or markets, and are often willing to accept higher risk and forgo profit as they get started.
Start-ups are a key component of a vibrant economy, but ... only 22% of Australian start-ups are founded by women and we won’t reach our potential if we don’t fully leverage the talent in half the population.

Support for women founders has grown—and has clear impacts

Of supported women founders:

- 94% reported improved confidence
- 86% reported larger professional networks
- 72% attributed an improved business growth trajectory to the support

However, progress has stalled

Only 0.7% of funding secured by start-ups went to solely women-founded companies in FY22.

Funding is also largely early stage focused, leaving a significant gap for scale-up businesses.

The economic opportunity of leveraging women founders is significant

Already, 341 participants facilitated:

- $1 bn worth of economic activity in FY21
- 4,900 full-time equivalent employees

Increasing representation of women in entrepreneurship will require more co-ordinated action and commitment to change through the ecosystem.

Accelerating women founders | The untapped investment opportunity
Executive Summary

The Australian economy is currently facing an uncertain economic path within a high inflation environment. While government support was critical during COVID lockdowns, our future economic performance depends on a successful shift to a thriving business sector. Start-ups are a key component of a vibrant economy, and a critical component of economic renewal and growth. When these businesses scale-up, they disproportionately contribute to innovation, exports and economic activity compared with other businesses.

However, we’re not fully leveraging our women entrepreneurs. Despite recent growth in the number of women founders, only 22% of all start-ups were founded by women.

The availability of support for women founders, and entrepreneurs more broadly, has grown over the last decade. This includes accelerators focused on skills development, government funds for women in business, corporate programs, university seed funding initiatives and women-targeted investor networks.

This growing support has mainly focused on pre-seed or seed funding, which leaves a significant gap in support for scale-up businesses. Targeted programs such as SBE, Heads Over Heels and Scale Investors aim to fill this gap.

This research identified a range of positive impacts from accessing these three organisations, including:

- Improved confidence (reported as an impact by 94% of program participants) and greater access to mentors (86%).
- Larger professional networks, with an average professional network of 52 for women founders—double that of founders without this support.
- Higher expected revenue growth, with revenue expectations of program participants 1.7 times higher than the growth of women non-participants, with 72% of program participants attributing their improved business growth trajectory to the support from these organisations.

Women founders with program or network support were also 1.4 times more likely to raise capital than other founders. However, the most commonly identified barrier to growth for program participants was still access to funding—identified by 39% of founders—suggesting there still remains difficulty for those looking to scale up.
Executive Summary (cont.)

Difficulty accessing scale-up capital is evidenced in the latest funding data. The share of funding received by solely women-founded businesses was just 0.7% in FY22. This low share is occurring while capital deployed to start-ups increased tenfold from FY18 to FY22 and the number of deals secured by founding teams with at least one woman barely changed. In other words, women are not raising the amount of capital needed to scale.

Research suggests this disparity in funding is not attributed to potential investment returns or business fundamentals, but rather embedded gender bias. The practice of pattern-matching—where investors match how similar a prospective opportunity is to past ones—needs to be overcome to increase investment for women-founded businesses.

This means that shifting the dial in funding requires structural and behavioural change.

Enacting change presents a significant economic opportunity to Australia. The untapped potential of women entrepreneurs is receiving growing attention as awareness of the benefits of diversity for businesses and investors grows.

Our analysis shows that women founders supported by SBE, Heads Over Heels and Scale Investors generate a significant economic dividend to Australia. In 2020-21, the 341 individual businesses supported by these organisations facilitated $1 billion in total value add to the Australian economy. The businesses also supported nearly 4,900 full time equivalent (FTE) roles across Australia. The value of businesses supported by all targeted programs for women founders would be even larger.

With this outlook, it is more important than ever for the ecosystem of support for women entrepreneurs to be appropriately resourced and designed—including for scale-ups. Shifting the dial in the gender funding gap will require more co-ordinated action and commitment to change among government, universities, business support programs, investors, and industry and corporate programs. But programs and networks like SBE, Heads Over Heels and Scale Investors are testament to the impact that can be made by directly supporting women entrepreneurs in Australia.

Despite growing support and attention for women founders in Australia, women founders received just 0.7% of private sector funding in FY22.

Most support is focused on women founders at pre-seed or seed funding, leaving a gap for those looking to scale up their business.

Targeted support for women founders has significant economic impacts—businesses supported by SBE, Heads Over Heels and Scale Investors facilitated $1 billion in total value add to the Australian economy and nearly 4,900 full time equivalent (FTE) roles.
Section 1:

Women in entrepreneurship and why it matters
In 2022, more than ever, Australia needs a vibrant start-up and venture capital sector

The emergence of the highest sustained inflation rate since the late 1980s and the need for rapid rises in interest rates are significant challenges for some business and have affected broader business confidence.

In the midst of this uncertainty, Australia’s future economic performance depends on a thriving business sector. While government support provided a valuable lifeline through the COVID driven lockdowns of 2020 and 2021, the success of the baton pass to the private sector will determine the pace and health of Australia’s economic recovery.

Currently, business investment is expected to only lift by 1.8% in 2022 and a further 2.0% in 2023—well below normal rates of growth. Australia should be looking to lift that rate of investment, and such a lift could come from across the board—large, small or start-up businesses.

We know that start-ups are a key component of a vibrant economy, and a critical component of economic renewal and growth. They tend to be innovative or help diffuse new ideas to new areas. And when they scale up, these businesses disproportionately contribute to exports and economic activity compared with other businesses.

Start-up and scale-up ecosystems are the bridge between the current economic growth path, and the creation of a new growth trajectory which will drive growth, income, and jobs into the future.

Australia’s start-up ecosystem has already grown significantly over the past decade. In 2021, there were 365,480 new businesses that entered the market, and total equity investment in Australian start-ups hit $10 billion across almost 700 deals.

However, when compared to other developed countries, Australia’s start-up ecosystem remains middle of the pack. The Global Start-up Ecosystem Index ranks Australia’s start-up ecosystem as 8th out of 100 countries, but well behind leaders such as the US, the UK and Israel. Australia is also losing entrepreneurs to more mature markets, particularly in emerging industries like CleanTech and BioTech where Australian investors are more risk averse and less funding is available.

This is especially the case as pressure mounts on start-up activity. PitchBook reported that in the first quarter of 2022, worldwide venture capital investment in start-ups fell by more than 19% from the previous quarter, the first quarterly decline since the beginning of 2020.

So as competition to attract investment capital intensifies, it is a critical time for Australia to be supporting start-ups.
But, we’re not fully leveraging our women entrepreneurs yet

Women are playing a growing role in Australia’s start-up community and broader economy. One estimate of entrepreneurship found that more Australian women are now founders: the share of women in Australia who founded companies in 2021 grew by 95% since 2016, while the share of men who founded companies increased only 45%.\(^6\)

Despite this growth, women continue to be underrepresented as new founders. In 2018, 22% of all start-up founders were women entrepreneurs, according to the Start-up Muster.\(^7\)

The Global Entrepreneurship Monitor (GEM) also reported that, in 2018-19 in Australia, 15.3% of working-age men were new entrepreneurs, compared to only 9.2% of working-age females.\(^8\) Based on 2021 Australian Census population data, this translates to 1.2 million male entrepreneurs and 763,000 women entrepreneurs.

Further, the ratio of female to male entrepreneurs in Australia is higher than countries such as Germany and Sweden, but lower than Canada and the United States (Chart 1).

Therefore, one way we can better support start-ups as a whole is by recognising the significant gender gap that exists within Australian entrepreneurship. Going forward, we will not be able to reach our full growth potential with Australian start-ups if we fail to leverage half the population.

Chart 1: Proportion of working age population who are new entrepreneurs in select countries (2018/2019)

And better leveraging women founders will have a significant impact on the economy

**Increasing diversity is vital to innovation and start-up growth, and can yield significant benefits**—both to the economy more broadly and to founders themselves. Since women have been historically underrepresented in entrepreneurship, the new approaches, markets and talent they bring can provide significant returns.⁹

**The OECD expects the benefits of leveraging the untapped potential of women entrepreneurs to include boosting economic growth by up to 2% of global GDP.**⁹ Further, Citi Group estimates the economic impact to the global economy from achieving gender equality in business growth at $2.88 trillion (in AUD).¹¹ Research also suggests the talent misallocation driven by gender differences in entrepreneurship was associated with a 3.2% productivity loss per capita in Australia.¹²

This benefit is compounded when accounting for the fact that female leadership typically leads to higher female employment within a business. The Kauffman Fellow Research Centre found that US start-ups with a women founder employ 2.5 times more women than all-male founders, while companies with both a women founder and a female executive hire 6 times more women on average.¹³ Gender diversity on governing boards and in senior leadership positions is also linked to lower gender pay gaps, which will further incentivise participation and improve economic disadvantages faced by women.¹⁴

And there are benefits for women founders themselves too. Household, Income and Labour Dynamics in Australia (HILDA) data found that 57% of Australian women business operators were pleased or delighted with the quality of their lives—outperforming male business operators, women employees and male employees.¹⁵

Increasing involvement of women in entrepreneurship can be an important empowerment tool.¹⁶ The visibility and confidence gained through the experiences of building a business is beneficial in breaking through social constraints and harmful gender norms, and encourages more women to consider entrepreneurship.¹⁷
Section 2: The Impact of support for women entrepreneurs
We’re not standing still—support for women founders in Australia has grown

As women play a growing role in Australia’s start-up community, the availability of support for women founders within the ecosystem is growing too. Founders note that:

“I started as a ‘lone fighter’ before finding (and accessing) business support programs and investor networks.”

“At start-up events 10 years ago there were no women entrepreneurs or interest in diversity. Things have changed a lot now as the ecosystem realised it needed more female representation.”

A growing number of government initiatives are now aimed at boosting women in entrepreneurship over the decade. The Boosting Female Founders grant provides a recent example. The initiative was oversubscribed with over 2,200 applicants and only 51 grants awarded. This oversubscription occurred despite criticism related to restrictive eligibility criteria, which requires more than 50% ownership to qualify. Other examples of seed or pre-seed funding for women founders include the Carla Zampatti Fund, the Alice Andersen Fund and the Queensland Female Founders Program.

And more broadly, support for the start-up ecosystem as a whole in Australia has also grown significantly over the last decade. In 2013, there were only four active accelerators in Australia—today there are more than 39 accelerators in Sydney, and more than 50 accelerators in Melbourne.

However, this growing support has mainly focused on pre-seed or seed funding. This leaves a significant gap in support for scale-up businesses. SBE, Heads Over Heels and Scale Investors aim to fill this gap.

Examples of support for women founders

**Accelerators and incubators**
Structured programs which support business and entrepreneur growth, such as through mentorship, skills and capability development, networking and funding.
- SBE
- SheStarts
- Anyone Can by the Creative Co-Operative

**Networking or mentoring groups**
Programs focussed on providing opportunities for businesses and entrepreneurs to connect, network or provide/receive mentoring.
- Heads Over Heels
- Inspiring Rare Birds
- League of Extraordinary Women

**Investor networks and private equity firms**
Organisations specifically aimed at providing funding or capital to entrepreneurs or businesses.
- Scale Investors
- Coralus (SheEO)
- Artesian

**Government and university programs**
Federal and state programs specifically targeted at boosting women in entrepreneurship. These programs may provide funding/grants/capital, or skills and capability development.
- Boosting Female Founders Initiative

**Industry bodies and corporate programs**
Groups or associations, usually member-based, that support businesses within a particular industry or sector.
- EY Entrepreneurial Winning Women
- Women in Technology

Source: Deloitte Access Economics, Startup Status.
Australia’s opportunity to grow the contribution of women-founded businesses relies on addressing the real barriers faced by women founders.

Bespoke survey analysis for this report shows that women-targeted support programs and investor networks successfully target some of the key barriers faced by women founders, and deliver the impacts presented in Figure 1.

Figure 1: Key impacts of targeted support for women founders

- **Improved confidence**: 94% of program participants
- **Improved business skills**: 79% of program participants
- **Greater ambition**: 1.7x higher expectations of revenue growth than other women founders
- **Access to mentors**: 86% of program participants
- **Larger professional networks**: 86% of program participants
- **Strengthened entrepreneurial culture**: 88% of program participants
- **Access to international markets**: 40% more likely to identify than other women founders
- **Improved capital raising**: 4x more funding than other founders
- **Higher revenue growth**: almost 4x increase following support

Source: Deloitte Access Economics survey.

The rest of this section explores these key impacts in more detail.
Nearly all (94%) women founders with targeted support reported improved confidence or self-esteem

Lower confidence among women entrepreneurs has been cited as a key barrier to their progression in business. A survey by Global Sisters found the top barrier to starting a business was confidence, identified by 67% of respondents.21

Our survey found that nearly all (94%) of the founders involved in SBE, Heads Over Heels or Scale Investors reported improved confidence/self-esteem from their participation in the programs.

One founder notes:
“SBE built confidence, and taught me how to hold a seat at a table in crowds of CEOs”.

Nearly nine-in-ten (88%) participants also reported strengthened entrepreneurial culture, and 79% stated that participation developed business skills. Building a pitch-deck or networking and pitching skills were often raised in consultations as key takeaways of the programs alongside knowledge needed to successfully run a business.

Our survey found 86% of program participants reported that participation improved access to mentors/role models and professional networks. Access to role models can be an important component of fostering business success, with a separate survey finding that almost nine in ten working women indicated that seeing more women in leadership positions encourages them that they can get there themselves.22

This is something that both early-stage founders and experienced founders benefit from. Consultations with experienced founders noted that building networks was their key takeaway from programs, to meet customers, suppliers, investors or other founders.

Chart 2: Key individual impacts of SBE, Heads Over Heels and Scale Investors (share of survey respondents who agree that the programs lead to these impacts)

- Improve confidence/self-esteem for founders: 56% strongly agree, 37% agree, 6% disagree or neutral
- Strengthen entrepreneurial culture: 34% strongly agree, 54% agree, 12% disagree or neutral
- Improve access to mentors and role models: 42% strongly agree, 44% agree, 14% disagree or neutral
- Improve access to professional networks: 41% strongly agree, 45% agree, 14% disagree or neutral
- Develop business skills: 30% strongly agree, 49% agree, 21% disagree or neutral

Source: Deloitte Access Economics Survey. Note: n=155 (Survey question: “Please indicate the extent to which you agree that women-targeted entrepreneurial support programs and investor networks deliver the following impacts”).
Case study: The changing entrepreneurial skills required at SpeeDx

Elisa Mokany, co-founder and current Chief Technology Officer at SpeeDx, has seen the ecosystem for start-ups and women in entrepreneurship change significantly over the last decade. SBE was a pivotal part of Elisa’s business journey, equipping her with the key skills of pitching, company financing and networking.

Elisa’s business journey

Elisa began her career as a scientist at a major healthcare company developing new diagnostic technologies. When the Global Financial Crisis began in 2009, budget decisions saw Elisa and three other scientists create SpeeDx, a MedTech business developing cutting edge molecular diagnostics. SpeeDx has since grown with offices and laboratories in Sydney, London and Austin.

Reflecting on her business journey, Elisa points out that thinking of herself as an entrepreneur was one of the biggest challenges at the early stages of business. When the business started there was only limited support and training available for start-ups or for developing entrepreneurial skills such as pitching and marketing of a business, which are key for new start-ups to attract investment funding. This was particularly true for the life science industries in Australia.

Impact of SBE’s program

Elisa participated in SBE’s Springboard Tech program in 2015. At the time, SpeeDx was attracting investment and experiencing commercial success. Yet the SBE program provided invaluable skills as she gained confidence and prompted a mindset shift that involved a mix of her scientific expertise with commercial acumen. Elisa reflects:

“I went into the program as a scientist and came out as an entrepreneur.”

This personal development supported Elisa’s continued growth at SpeeDx. After undertaking the SBE program, Elisa was able to identify more potential funding connections and networks for the business.

As SpeeDx continued to grow, the skills Elisa has required have changed. COVID-19 has shone a spotlight on the importance of MedTech and diagnostics, which SpeeDx is leveraging to accelerate their growth and acquire investment. At this stage of the business, Elisa recognises more easily worthwhile investment deals and knows when to push back on requests. SpeeDx is also looking to become more self-sufficient and vertically integrated to reduce reliance on increasingly volatile supply chains. Throughout all this change, the skills and principles Elisa developed through SBE remain relevant as the business continues to evolve.

Reflections on the ecosystem

At the early stages of SpeeDx, Elisa noted there was limited support for start-ups, particularly women-founded ones. The growing community and ecosystem of women-targeted entrepreneurial programs is an important step in the right direction. Elisa notes:

“There is growing awareness and participation in these programs now—there was very few suitable incubators thirteen years ago, but there are many more programs available for women at different stages of their business journey—from start-up to scale-up.”

While the availability of support for women entrepreneurs has grown, Elisa believes gender bias in investment fundraising has barely shifted over the last decade and more needs to be done to address this issue. Elisa now shares her own learnings and insight with women entrepreneurs through mentoring and involvement with SBE. Elisa reflects:

“My future will always be to support more women in business, so that the community can continue work towards the goal of eliminating gender bias within the start-up and scale-up landscape.”
Individuals

Women founders with targeted support have an average professional network of 52—double that of founders without this support

Professional networks are essential for entrepreneurs to gather information, resources and referrals—and get funding.

For 78% of start-ups surveyed by The Economist, networking is vital to entrepreneurial success. Difficulty forming networks can be a barrier for women entrepreneurs, with the OECD finding that women tend to have smaller and less effective networks than men. Being excluded from male-dominated networks, particularly where decisions around investment are made, is regarded by some as a root cause for low investment in women founders.

On top of direct access to networks and role-models through program participation, our survey results also find that participants are substantially more likely to report having a large professional network of 50 people or more, compared to women who have not participated in the program and to male-led businesses.

In fact, only 15% of program participants identified difficulty in building a high-quality professional network as a top three barrier to growth, compared to approximately 25% for both non-participant women and men who cited this barrier.

While a larger professional network may not directly translate to improved business outcomes (such as clients or investment funding), program participants reported a number of benefits from their professional network. Improving personal business skills was the most commonly selected benefit, which was reported by 91% of program participants. Nearly nine-in-ten (87%) program participants reported that their networks help them grow their business, and at least three-quarters also indicated that networks help them grow their customer base, access capital, and expand into new markets.

Figure 2: Average professional network size by business type

Source: Deloitte Access Economics Survey. Note: n=301 (Survey question: “How large is your professional network?”).
Case study: The power of professional networks supporting iVvy

Lauren Hall is the founder and CEO of iVvy, Australia’s multi-award winning SaaS tech company revolutionising the events industry. Lauren started iVvy shortly after arriving in Australia, building her professional network from scratch.

Lauren’s entrepreneurial journey to Australia

Lauren was working in the events industry in South Africa when she noticed a big gap in the market—there was no way to get a sense of real-time availability of function spaces, group accommodation and other event suppliers. Lauren started working on an online platform with the aim of reducing event planning time from six months to six weeks.

In mid 2008, she was awarded significant funding from the South African Government to re-engineer her technology for global scale. But then, after 3 years of applying, Lauren finally secured a visa for herself and her family to come to Australia. Lauren made the tough decision to walk away from the funding and come to Australia to start again:

“I came to Australia with no job, no money and no network, with only my IP ready to start again.”

Six months later, Lauren started iVvy in Australia—bringing across a solution that was described by one prospective client as “ten years ahead of its time” in the Australian events industry.

Importance of networks

Lauren notes that one of the challenges she faced as a recent migrant to Australia was her lack of professional networks. Lauren recalls how much effort she put in right from the start to find the right business partners here and grow her network.

Participating in accelerator programs was an important way to do this. SBE was critical in developing her business skills and getting her ready to go to investors. Her involvement in Heads over Heels then made a huge difference to her business and funding by providing access to potential investors and other business mentors. Lauren recalls:

“Gaining the skills from SBE and having the warm introduction from Heads over Heels was game changing. I closed $1 million after a Heads over Heels session after only expecting to walk away with $100,000.”

The EY Entrepreneurial Winning Women program was also an important way to build out her network—particularly when she was scaling her business in international markets. The program was able to showcase her product and get her access to contacts she otherwise would not have had across the world.

The networks and skills developed across these programs were all important developments in her business journey alongside an endurance mindset. Lauren notes that her involvement and ongoing perseverance and resilience is a key part of her personality and business outlook—especially when it comes to funding:

“I have pitched in coffee lines, hospitals, on stages and in more than 6 countries. I will never give up nor stop believing in the greater purpose of making a difference in the world. Scaling up a business is like running a marathon at a sprint pace.”

Looking ahead

Lauren acknowledges that the business environment in Australia is a difficult one for women entrepreneurs, particularly when it comes to accessing funding or government support.

According to Lauren, addressing this issue will require involvement across multiple organisations and stakeholders. Lauren believes government needs to continue supporting female entrepreneurs, and increase access to capital for growth funding, better tax incentives and more visas to attract talent into Australia. Lauren also emphasises the need for successful women founders to stay involved in the ecosystem as mentors, investors or supporters. There are some incredible programs including Women in Digital, Women in Technology, SBE, EY Winning Women and Summit Club which are helping pave the way for our success today and future generations to come.

Essentially, the whole ecosystem needs to work together to create more female success stories to encourage new entrepreneurs, which Lauren describes as:

“Everyone has to play a part in opening the door for others to help unleash the potential of others.”
Businesses

Women-founded businesses supported by business programs or networks achieved higher revenue growth and are more optimistic about future growth

Nearly three-quarters of program participants (72%) agreed that women-targeted entrepreneurial support programs and investor networks have improved their business growth trajectory.

This impact is evident as participants of SBE, Heads Over Heels and Scale Investors reported a boost in revenue growth following participation in one or more of the programs. For a cohort of the programs where relevant data was available, revenue growth more than tripled on average from 37% growth before participation, to 120% on average after program participation (see Figure 3).

A strong growth impact was similarly observed for participants of another scale-up program, the EY Entrepreneurial Winning Women program. A 2017 study found a 35% average CAGR growth for entrepreneurs since participation in EY's program.

The amount of revenue generated by program participants is also higher than that of women non-participants. This finding holds even when controlling for unobserved business characteristics (such as creativity or improved leadership) that support some businesses to grow faster than others regardless of participation.

Program participants were also more optimistic about future revenue growth, reporting 1.7 times the expected growth of women non-participants and 1.3 times higher revenue growth compared to male businesses for the 2022-23 financial year. This difference is statistically significant, even after controlling for business type, industry, location and years of operation.

Chart 3: Average expected revenue growth for FY2022-23 for participants of SBE, Heads Over Heels and/or Scale Investors

Source: Deloitte Access Economics Survey. Note: n=17 (survey respondents who participated in at least one of the programs in 2020 and provided financial data for the 2018, 2019, 2020 and 2021 financial years).
Women founders with targeted support are 40% more likely to identify international markets as a future source of growth than other founders.

Access to international markets can provide a business with a significantly larger customer base than what is available in the domestic market.

Three out of five program participants agree taking part in the support programs and investor networks improves access to domestic markets, and just under half (49%) of program participants agree that it improves access to international markets.

This translates into program participants receiving 20% of their revenue on average from international customers, while women entrepreneurs without this support only receive 12% of revenue from international customers, while male businesses receive 17% of revenue from international customers. This effect holds regardless of various business characteristics, such as industry.

Looking forward, program participants are also 40% more likely to identify access to new international markets as an expected source of growth compared to women non-program participants (see Chart 4).

**Chart 4: Access to international markets as a main sources of business growth, by group**

<table>
<thead>
<tr>
<th>Program participant</th>
<th>Female non-participant</th>
<th>Male businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>37%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Source: Deloitte Access Economics Survey. Note: n=333. Survey question: “What are the expected main sources of growth for your business?”
Case study: COVID-19 shone a light on Coviu’s telehealth technology

Silvia Pfeiffer, co-founder and current Chief Executive Officer at Coviu, has seen demand for her business rise quickly during COVID-19—but it hasn’t been easy. Silvia believes women face specific barriers to accessing capital, reinforcing the importance of women-targeted business support programs.

Surging demand for Coviu’s telehealth services
Silvia is a software engineer with extensive experience in computer science across Accenture, Google, Mozilla, NICTA and the CSIRO. She has founded two start-ups. Taking learnings from her first start-up, Silvia co-founded Coviu in 2015—an all-in-one telehealth platform enabling efficient patient care for health practitioners.

Prior to 2020, Silvia had success securing funding from a venture capital firm and an angels investor group, and landed a large customer—but the business really began to scale up when the pandemic saw demand for telehealth services become the new norm. Suddenly investors did not see telehealth as a risky investment with nearly half of all consultations with general practitioners being conducted online in Australia during the first few months of the pandemic. This was further assisted when the Government agreed to reimburse telehealth sessions on Medicare. By the end of 2020, the company had secured Series A investment and the number of employees at Coviu had grown to 35, up from 2 in 2018. It now has 50 employees.

The complementary roles of accelerator programs
Silvia has participated in multiple business accelerator programs, including women targeted programs, which have all contributed to developing her business skills. SBE was challenging but rewarding, with heavy scrutiny of pitching skills—but the main impact Silvia recalled was the networking.

“The SBE was very good at building a group of people who went through the same pain points together... I am still in contact with 5 or 6 founders. Building a peer support group was really good and not like any other program.”

Following SBE and building on her pitching skills, Silvia participated in Heads Over Heels. The program directly connected her to customers and built awareness of her company within the business ecosystem.

The future for women entrepreneurs in Australia
Fifteen years ago, accessing capital in Australia as a start-up was near impossible.

“Between 2008 and 2012, there was no money, no funds. It was bleak. Many of my friends went to the United States to build their start-ups... Things changed in 2012. There was suddenly an influx of money towards start-ups. With start-up hubs, incubators and shared office spaces, it became a real ecosystem.”

Since Silvia started out, the support for women founders has also grown substantially. This includes networks, incubators, investment programs and government grants. However, despite growth in the overall size of the ecosystem, the share of investment going to women entrepreneurs remains low.

Silvia believes one key reason for the relatively small share of investment in women-founded business is the particular barriers women face when getting started in business. Silvia reflected on the balance that needs to be struck when women are in the pitching room. Compared to men, having ambition and making a bold pitch can sometimes be considered unrealistic by potential investors, while being too conservative is equally as ineffective. Silvia also noted the additional discrimination as an older woman, with investors more interested in young people, ignoring the experience and skills that these business leaders may have gained over time.

According to Silvia, increasing the share of investment going to women-founded businesses will require addressing this communication barrier in pitching situations and other forms of gender bias. While programs like SBE and Heads Over Heels may not directly address these biases of investors, the programs do help participants build the skills and networks to start and grow successful businesses like Coviu.
Executive summary

Impact of support

Women in entrepreneurship

Barriers for women entrepreneurs

Economic opportunity

Capital raising is higher for women founders with targeted support

On average, our survey found that 23% of program participants raised capital in 2020-21, compared to 16% of women non-participants and male businesses.

When considering businesses that did raise capital in 2020-21, program participants raised 4 times the investment capital on average compared to other women business owners.

Program participants are also more likely to raise capital from institutional investors such as angel investors, venture capital firms and private equity compared to both women non-participants and male businesses. Program participants raised capital from an average of 2.4 sources in FY21, slightly higher than male businesses (2.3) and significantly higher than women non-participants (1.9).

Similarly, a greater share of program participants attained government grants or funds, which may be a result of greater awareness developed through programs or networks.

Note, these results may also reflect that a larger share of non-program participants were sole traders (38%) compared to program participants (12%).

Separate studies have found that women founders are more reliant on owner equity and insider financing than men, and use significantly lower levels of outsider equity. This has been supported through consultation with program alumnae.

One founder noted that she reinvested earnings from her business for several years before raising capital because she knew how difficult it was for women to get access to funding, and decided to grow her product herself first before seeking finance from external sources.

Many founders noted during consultation that they went through multiple support programs and networks, which increased the chances of successfully acquiring capital investment.

While this analysis demonstrates that SBE, Heads Over Heels and Scale Investors can improve the investment funding received by program participants, the collective share of funding raised by women founders remains stubbornly low.

This is partly because the organisations only reach a fraction of all women founders in Australia and the fact that these founders face a diverse range of barriers to grow their business which programs alone cannot address. The small share of total investment funding and other barriers are explored in the next section.

Program participants are 1.4x more likely to raise capital on average than surveyed male businesses and women non-participants.

For businesses that did raise investment capital, program participants raised 4x more funding on average than surveyed male businesses and women non-participants.
Section 3:
Barriers for women entrepreneurs
Despite the progress made, a range of barriers to growth still exist

**Chart 5: Top three barriers to business growth**

- **Difficulty accessing investment, funding or capital**: 39%
- **High operational costs**: 32%
- **Growth in competitors**: 23%
- **Economic uncertainty**: 23%
- **Inadequate sales and marketing strategy**: 19%
- **Difficulty building a high-quality professional network**: 15%
- **Changing regulations**: 14%
- **Inability to access new markets**: 14%
- **Balancing family commitments**: 11%
- **Staff turnover and difficulty attracting suitable staff**: 10%
- **Long or inflexible working hours**: 6%
- **Sexism and prejudice in the business environment**: 5%
- **Lack of demand for my product/service**: 5%

Source: Deloitte Access Economics Survey. Note: n=155 (Survey question: "What are the biggest barriers to growing your business? Please select your top three barriers").

**Access to capital** was identified as the number one barrier to business growth, with 39% of program participants rating access to capital as a top three barrier.

**Business and economic conditions** such as high operational costs are weighing on program participants as economic conditions weaken with 32% of ranking it as a top three barrier. Yet, in contrast to the broader Australian business environment which is grappling with deep talent shortages, only 10% of surveyed program participants ranked attracting talent as a top three barrier. This is potentially an indication of the greater purpose experienced by employees at women-founded businesses.

**Difficulty building a high-quality professional network** was a significantly lower ranking barrier for program participants (15%) than for non-program women respondents (25%) and male respondents (24%). This suggests that supported women founders are better able to navigate traditional barriers to entrepreneurship that are experienced by both men and women.

**Balancing family commitments** and inflexible working hours were lower ranked barriers to business growth in the survey (11% and 6% respectively). However, our consultations note that competing demands between entrepreneurship (particularly when conducting due diligence prior to receiving investment) and family can take a heavy mental toll.

**Sexism and prejudice in the business environment** was only recognised by 5% of participants as a top three barrier. This is perhaps a reassuring sign that changes in the ecosystem to date have seen the direct impact of this barrier fall. However, bias remains a key underlying driver of many of the other barriers faced, particularly access to capital.
The barriers that different groups face also need to be better recognised

Surveys like the one undertaken for this report reveal the very real and significant barriers that women face when starting and growing a business.

However, focusing on the perspectives of women who have participated in a support program can fail to reflect the experiences of other women who do not have the networks or awareness to join such a program in the first place.

Business ownership and the start-up world may not be options at all to some women. Organisations like Global Sisters aim to work with women who are excluded from the start-up sector, such as single mothers. Global Sisters has identified that women traditionally excluded from the start-up sector particularly face barriers around navigating self-employment, financial support and confidence.

Other groups that face additional barriers to entrepreneurship are women of colour and older women (see Box 1 and Box 2).

Finally, the pressures on a business owner’s personal life are often stronger for women relative to men. For example, because women take on a disproportionate share of unpaid household work already, the long hours associated with running a business are even harder to manage.

A number of founders consulted for this report discussed the mental health and other impacts of business ownership, that are not usually talked about within the ecosystem. Moving forward, a more open dialogue about the personal challenges of entrepreneurship for women is needed.

Box 1: Bla(c)k women and women of colour (WoC)

Bla(c)k women and WoC are particularly underrepresented in the start-up ecosystem. In Australia, only 0.03% of venture capital funds raised in 2021 went to bla(c)k women and WoC founders. In March 2022, the Creative Co-Operative released a report investigating the barriers experienced by bla(c)k women and WoC in Australia’s innovation ecosystem—the first report of its kind.

The Creative Co-Operative’s survey found that a quarter of respondents highlighted racial discrimination (25%) and an even higher percentage mentioned gender bias (32%) as barriers in accessing funding—which is exacerbated by differential access to networks, social capital and information.

Box 2: Age bias in the start-up ecosystem

Another common barrier heard through consultations for this report was the bias faced by older women founders. This was despite decades of entrepreneurial experience in both Australia and abroad, and this bias was cited as adversely affecting funding opportunities.

This barrier is well documented in research—First Round’s State of Start-up report in 2018 noted that 37% of founders believed investors were biased on age, and 89% agreed that older people faced age discrimination in the tech industry.
The funding gender gap is a vast gulf, with the share of funding secured by solely women-founded teams only 0.7% in the last year

Total capital deployed to start-ups has risen dramatically in recent years, from $1 billion in FY18 to $10 billion in FY22. Despite this accelerated growth, funding for women-founded businesses—both solely female and mixed gendered founding teams—has remained persistently low (Chart 6).[^11]

The share of funding received by solely women-founded businesses has more than halved, from 3.8% to 0.7% from FY21 to FY22. This growing gap has been driven mostly by smaller funding amounts rather than fewer deals, as deals secured by solely women-founded teams have only marginally fallen in the last few years.

Table 1: Amount of funding and number of deals secured by start-ups and young technology companies by founding team gender, private funding only (%, FY22)

<table>
<thead>
<tr>
<th></th>
<th>Deal count</th>
<th>Deal value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solely female</td>
<td>9.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Mixed gender teams</td>
<td>14.5%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Solely male</td>
<td>76.3%</td>
<td>85.1%</td>
</tr>
</tbody>
</table>

Source: Techboard Female Founder Dataset, FY2021-22.

This decline now puts the Australian gender gap in capital raising below that of other countries. Funding to a start-up team with at least one woman (mixed and solely female) dropped from 30.5% to 14.9% from FY21 to FY22 in Australia, compared to 17.3% in the United States for venture capital funding.[^31]

Notably, this figure will be substantially lower for women of colour—the Creative Co-Operative estimates that only 0.03% of funding in 2021 went to bla(c)k women or women of colour founders.[^34]

Funding creates opportunity, and without an equitable distribution of opportunity, Australia’s business and economic performance is likely sold short.
The funding gap worsens and lack of targeted support grows as women founders look to scale-up

The relative amount of funding secured by women founders decreases as they look to scale up their business. Over the last few years, the share of funding to women founders has risen in the pre-seed stage but fallen in later stage funding rounds. This decline in the share of funding is also coming from smaller average round sizes for women founders at all stages than all male teams.

Techboard data showed that in FY21, the average private seed round for all male founding teams was more than 3 times larger than all female teams, and almost 1.5 times larger than mixed teams. For Series A, all male teams raise on average $9.5 million, compared to $5.2 million for mixed teams and $4 million for all female teams.

Similarly, while the ecosystem has grown over the past decade, support programs have been largely targeted at early stage innovation. This concentration in early stage funding or support programs, while positive for encouraging formation of women-founded businesses, means more focus is needed on increasing funding and success in later stages—both at the scale-up stage and at the maturity stage.

Chart 7: Share of capital raised attributable to women founders by deal label in FY21

Source: Techboard Female Founder Dataset, FY2017-18 to FY2021-22. Note that this covers private funding only.
Fewer women entrepreneurs in Australia is reflective of broader gender gaps in key positions of leadership and decision-making

Figure 4: Representation of women in entrepreneurship, corporates and investment decision-making

<table>
<thead>
<tr>
<th>Women in entrepreneurship</th>
<th>Women in corporates</th>
<th>Women in investment decision-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>50%</td>
<td>27%</td>
</tr>
<tr>
<td>of start-up founders are women</td>
<td>employees</td>
<td>junior roles</td>
</tr>
<tr>
<td>9%</td>
<td>33%</td>
<td>mid-level roles</td>
</tr>
<tr>
<td>of deals go to solely women-founded teams</td>
<td>key management positions</td>
<td>22%</td>
</tr>
<tr>
<td>0.7%</td>
<td>19%</td>
<td>senior roles</td>
</tr>
<tr>
<td>of total capital is raised by solely women-founded teams</td>
<td>CEOs</td>
<td>11%</td>
</tr>
</tbody>
</table>


The gender gap in entrepreneurship widens when moving from the number of founders to the value of funding raised by women. This pattern is mirrored in worse representation of women at increasing levels of seniority in large organisations and in investment decision-making.

In the corporate world, a 50% female employment level drops to 19% when considering CEOs. Progress has been slow in this space—there was only one female appointment among 23 ASX300 new CEO appointments in 2020-21, and only 6% of CEOs in the ASX300 are women.

In the Australian private capital industry, women hold approximately 27% of junior roles but only 11% of senior roles. On average the attrition rate for women in private capital (17%) is almost double that of men (10%)—meaning more women are leaving the industry than men. In venture capital in particular, only 15% of senior Australian VC leaders in 2018 were women with little improvement since 2015 (12%).

The small share of women represented in investment decision-making positions is not only reflective of entrepreneur numbers, but contributes to this low number. This effect can be explained by pattern matching, driven by gender stereotypes (see Page 29 for more detail).
“Pattern matching” is an issue, embedding a gender funding gap

Two out of five women founders surveyed for this report listed access to capital as a barrier to business growth. In consultations, founders shared stories of much higher scrutiny in pitching rooms and pushback from investors compared to pitches made by men, with a founder noting:

“As a woman, investors don’t believe you can execute. So you can’t talk up the business too much (like men), but also can’t be too conservative.”

This is consistent with another survey of 380 Australian early-stage founders, which found that just 10% of women founders felt highly confident they would raise their next funding round, compared to 63% of male founders.39

Many view gender as a barrier to funding, with 82% of women founders believing gender impacted their ability to raise venture capital funding. Research suggests gender stereotypes of investment decision makers reinforce perceptions that women founders are ‘riskier’ investments.

In pitching rooms, studies show that women face more preventative questions (about potential losses) while men field more promotion-oriented questions (about potential gains).42 As a result, women must do more to prove that they are not risky and are a worthwhile investment.

Pattern-matching becomes more of an issue when economic times are tough, and investors are looking for stability and certainty. This is evident in 2022, where the drop in funding for women founders has been attributed to investors avoiding women founders who are perceived as ‘riskier’.43

Pattern-matching also impacts women founders in particular industries. Consultations revealed experiences of pigeonholing of women founders to female-centric industries, and investor bias against women founders in traditionally male-dominated industries. This is in line with research which found that women-led start-ups are at less of a disadvantage with male investors when they seek low amounts of capital or operate in female-centric industries.44

This trend is not exclusive to entrepreneurship. The impact of gender norms and bias is evident across all levels of women’s economic participation—including leadership, the pay gap and unpaid domestic work. One study assessed the drivers that make up the gender pay gap in Australia. It found that 33% of the gap can be attributed to care, family, and workforce participation, 24% to occupational and industrial segregation, and 36% to gender discrimination. Each of these factors is driven directly or indirectly by gender stereotypes and bias.45

This research places the gendered entrepreneurship gap within the broader issue of gender equity in Australia, and the need for targeted support to break down embedded bias and existing traditions to normalise investing in women founders.

In our survey of women founders

| 39% |
| listed access to capital as a barrier to growth |

Other research found that

| 10% |
| of women founders felt highly confident about raising capital in their next round |

| 82% |
| of women founders believed gender impacted their access to funding |
Section 4: The untapped economic opportunity of women entrepreneurs
Women founders supported by support programs and investor networks generate a significant economic dividend to the Australian economy

In FY21, the 341 individual businesses supported by SBE, Heads Over Heels and Scale Investors facilitated **$1 billion in total value add to the Australian economy**. The businesses also supported nearly **4,900 full time equivalent (FTE) roles** across Australia.

This value includes both the direct economic activity of the businesses and indirect economic activity that occurs as businesses purchase inputs from suppliers in Australia. The indirect contribution of the businesses has been estimated using Deloitte's Input-Output (IO) model of the economy.

Importantly, this value will grow as the increasing number of recent start-ups participating in the programs and investor networks continue to scale up.

This value does not reflect the contribution of the large number of women-founded businesses that have participated in other programs, received funding elsewhere or have not received support to grow their business.

While the entirety of the economic activity supported by these businesses cannot be wholly attributed to the three programs the business owners undertook, the programs do have a significant impact on the ability of the founders to scale up their business. Almost three quarters of businesses believed participation in the programs improved their business growth trajectory.

Further details on the methodology used to estimate the economic contribution supported by the three programs are in the Appendix of this report.

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**Chart 9: Number of participants across three programs, FY13-FY22**

Source: Deloitte Access Economics Survey and analysis.

Note: the 481 participants includes businesses who were involved in multiple programs and those no longer active in 2020-21. After accounting for these two factors, there were 341 supported by the scale-up programs.
Now, more than ever, there is appetite for change

There is growing awareness of the benefits—for the economy and also for individual businesses and investors—of improving the gender balance in entrepreneurship. This awareness is part of a broader recognition that environmental, social and governance (ESG) factors don’t come at the expense of financial performance but can lead to more sustainable and profitable businesses.46

**Businesses are increasingly focused on improving gender representation as awareness of the diversity dividend grows.** WGEA found that a 10 percentage point increase in female representation on the Boards of Australian ASX-listed companies led to a 4.9% increase in company market value, worth the equivalent of AU$78.5 million for the average company.47 The importance of diversity and inclusion for talent retention and recruitment is growing, with 75% of workers surveyed by the Diversity Council of Australia indicating they supported their organisation taking action to create a diverse workplace.48

**This focus on diversity makes financial sense for investors as well.** Research indicates that for every dollar of funding, start-ups founded or co-founded by women generated 78 cents of revenue, while male-founded start-ups generated just 31 cents.49 As a result, women-founded businesses ultimately delivered higher returns for investors.

**The private equity industry is working on increasing diversity within their own ranks** to more fairly assess the opportunities presented by women founders.50 The Global Private Equity Survey in 2021 found that a top talent management priority for firms was increasing gender and ethnic minority representation, and 70% of private equity managers indicated they have some form of a diversity, equity, and inclusion initiative.51

**However, this intent has not translated into funding,** with the share of funding to women founders remaining stubbornly low at only 0.7% in FY22. Shifting the dial in funding requires structural and behavioural change, and co-ordinated action and commitment from different stakeholders within the ecosystem.

For every dollar of funding, research finds that women-founded start-ups generated 78 cents of revenue, compared to 31 cents for male-founded start-ups.

For every dollar of funding, research finds that women-founded start-ups generated 78 cents of revenue, compared to 31 cents for male-founded start-ups.

**10 percentage point increase in female representation on ASX Boards leads to a...**

**4.9% increase in company market value, worth the equivalent of AU$78.5 million for the average company**
Every stakeholder has a role to play in breaking down barriers for women founders

There is still much to do to improve access to capital, particularly for scale-up businesses, and break down other barriers for women founders. To shift the dial on the amount invested in women founders, targeted change, support and investment needs to occur across the whole ecosystem to break down the barriers that hold back women entrepreneurs. Action items informed by consultation and analysis for this report are shown below.

Figure 5: Action items to improve access to capital and break down barriers for women-led businesses, by stakeholder

<table>
<thead>
<tr>
<th>Government and university</th>
<th>Business support programs (including accelerators and incubators)</th>
<th>Investors</th>
<th>Industry and corporate programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continued funding and educational support is needed from federal and state governments.</td>
<td>Early stage focused programs remain a crucial component of supporting women entrepreneurs. However, more later stage or technical business support programs are needed to accelerate high-growth businesses.</td>
<td>Investors need to be aware of how embedded bias influences their decision-making—is their pitching process geared towards men? Are investors ‘pattern-matching’ against women founders? Can their processes be more standardised to prevent bias?</td>
<td>Industry programs play an important role in creating network opportunities for women founders.</td>
</tr>
<tr>
<td>While early stage funding is invaluable to businesses (who can strategically fund their business with grants before they have revenue streams), later stage funding support is also needed.</td>
<td>Ensuring there is a tighter link between programs and investors (and between different programs themselves) will bring funding opportunities closer to the program participants.</td>
<td>Once there is awareness, diversity and inclusion targets within investment firms and investment targets may be a way to work towards wholesale change. More female representation on the investor side is important to correct this bias, particularly when it comes to actually making funding decisions.</td>
<td>Corporate programs should also continue focusing on women and their untapped investment potential, especially as building a relationship with women founders is often a benefit to the corporation itself.</td>
</tr>
<tr>
<td>Programs must also ensure that eligibility is inclusive and accessible. Government and universities need to continue increasing awareness of all programs and funds (including gender neutral ones) to increase female representation.</td>
<td>Continued emphasis on networking is needed (particularly access to high quality networks) to improve access to investors, customers and suppliers.</td>
<td>Evaluation of the actual pitching and investment decision process can also help identify areas of change. Investment must also avoid pigeon-holing women founders to particular industries or products, to support growth in every industry.</td>
<td>Industry and corporate groups should highlight success stories through awards or showcases to increase the number of role models for the broader ecosystem.</td>
</tr>
</tbody>
</table>

There is no one single solution to break down barriers for women entrepreneurs, but **co-ordinated action and commitment is required** to identify and work on change—with a particular focus on support at the scale-up stage.
Appendices
Appendix A: Methodology and survey demographics in this report

To inform this report, Deloitte Access Economics undertook three channels of research.

Consultations
Deloitte Access Economics conducted eight consultations for this report, three of which are included as case studies. These consultations took place over July and August 2022, and were conducted with women founders suggested by SBE.

The founders covered a range of industries (such as MedTech, wealth management, PropTech and more), and had varied program experience. Many founders had been involved in one or more of SBE, Heads Over Heels and Scale Investors—alongside other accelerator/incubator programs.

Insights from consultations are reported throughout the report.

Desktop research
There is extensive literature on women in entrepreneurship, both in Australia and globally. Desktop research was conducted throughout the process to complement and supplement other insights gained through the survey and consultations.

Bespoke survey
Deloitte Access Economics designed a bespoke survey for this report, to understand the impact of program participation and compare business attributes between program participants and non-participants. This survey was fielded in June 2022 and received a total of 373 responses from business founders or senior leaders.

The survey covered a range of questions, including: program impacts, business information (revenue, expenditure, age, employment, capital raising), barriers to business growth, and sources of growth. Select demographic breakdowns for survey respondents are shown below.

<table>
<thead>
<tr>
<th>Table A.1: Survey responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution list</td>
</tr>
<tr>
<td>104 responses</td>
</tr>
<tr>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table A.2: Respondent groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program participants</td>
</tr>
<tr>
<td>155 responses</td>
</tr>
<tr>
<td>42%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table A.3: Program participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE</td>
</tr>
<tr>
<td>133</td>
</tr>
</tbody>
</table>

Note: this table outlines respondents who have done each program at least once. The total does not add up to 155 as some respondents have done multiple programs. Respondents who have only done ‘other women-targeted programs’ are not included in our treatment group.
## Appendix A: Methodology and survey demographics in this report

### Table A.4: Survey respondents by years of operation

<table>
<thead>
<tr>
<th></th>
<th>All participants</th>
<th>Program participants</th>
<th>Female non-participants</th>
<th>Male businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than five years</td>
<td>56%</td>
<td>48%</td>
<td>63%</td>
<td>59%</td>
</tr>
<tr>
<td>At least five years, less than ten years</td>
<td>36%</td>
<td>36%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>At least ten years, less than twenty years</td>
<td>9%</td>
<td>16%</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: n = 362.

### Table A.5: Survey respondents by business type

<table>
<thead>
<tr>
<th>Business type</th>
<th>All participants</th>
<th>Program participants</th>
<th>Female non-participants</th>
<th>Male businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed company</td>
<td>7%</td>
<td>9%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Unlisted company</td>
<td>27%</td>
<td>48%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Sole trader</td>
<td>29%</td>
<td>13%</td>
<td>43%</td>
<td>33%</td>
</tr>
<tr>
<td>Partnership</td>
<td>32%</td>
<td>27%</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>Trust</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Public sector</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Not-for-profit</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: n = 354.

### Table A.6: Survey responses by industry (ANZSIC)

<table>
<thead>
<tr>
<th>Industry</th>
<th>All participants</th>
<th>Program participants</th>
<th>Female non-participants</th>
<th>Male businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing and hunting</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Mining</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Electricity, gas and water supply</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
<td>1%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>11%</td>
<td>8%</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Accommodation, cafes and restaurants</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Information, media and telecommunications</td>
<td>20%</td>
<td>26%</td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Rental, hiring and real estate services</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>5%</td>
<td>1%</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td>Public administration and safety</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Education and training</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>10%</td>
<td>15%</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Arts and recreation services</td>
<td>6%</td>
<td>1%</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>Other services</td>
<td>11%</td>
<td>15%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Not sure</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: n = 354.
Appendix A: Methodology and survey demographics in this report (cont.)

Chart A.1: Distribution of revenue for program participants in 2020-21, survey responses

Source: Deloitte Access Economics survey (2022). Note: n = 83 (program participants who provided business financial data for 2020-21).
Appendix B: Evaluating women-founded business support programs

There is substantial research that show general business support programs such as accelerators and investment networks play an important role within the start-up ecosystem—both in Australia and globally. Research from UNSW in 2016 found that 47% of surveyed Australian start-ups who went through accelerator programs reported ‘significantly positive impacts’ from the support they received. A further 40% had ‘somewhat positive impacts’ and only 6% reported ‘no impact’.1 International research from the Global Accelerator Learning Initiative (GALI) found on average, ventures that participate in accelerators increase revenue, number of employees, and outside investment compared with those that applied but were rejected.2

A key finding from available research is that the quality of the programs and investor networks affects outcomes for participants. Participants in better performing programs reported more peer-to-peer involvement and focus on partnerships compared to participants of other programs.3

There have been only a few evaluations of women-targeted business support programs. One example is the impact study on the EY Entrepreneurial Winning Women Program (see Box 1).

Some research suggests that tailored support programs for women founders may be more likely to improve outcomes of participants as programs are designed to address constraints specific to women-founded business growth.4 Some evaluations find that non-women targeted accelerators may exacerbate the gender gap in equity financing on average, as the capital raised by male-led start-ups post-acceleration is 2.6 times higher than by women-led start-ups.5 This could be a result of investor bias in the private sector or the fact that women are often not the ones designing programs in non-women targeted accelerators.6

This evaluation aims to help fill the domestic and global gap in research on women-targeted business support programs by providing evidence on the impacts of participation in SBE, Heads Over Heels and Scale Investors for the founders and their business. The analysis in the next chapter also compares the performance of participants of the programs to women-led businesses where the founder has not participated in the program and male-led businesses. This evaluation presents the impacts of participation in either of the programs and does not differentiate any impacts between the programs.

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Box 1: Evaluation of EY Entrepreneurial Winning Women Program

Launched in 2008, the EY Entrepreneurial Winning Women program targets women founders who have built profitable small companies, and provides founders with access to EY resources, networks and know-how in their scale-up journey. As of 2021, EY has supported more than 800 successful participants across 49 countries.

EY completed a global impact study in 2017 of their Entrepreneurial Winning Women program and found that:

- 88% of participants had been positively impacted by the program (including indicating the desire to scale, and helping to build a public profile)
- 76% saw their networks and connections improve.7
Appendix C: Economic contribution methodology

Economic contribution studies are intended to quantify measures such as value added, exports, imports and employment associated with a given industry or firm, in a historical reference year. The economic contribution is a measure of the value of production by a business, a group of businesses or industry.

C.1. Value added
Value added is the most appropriate measure of an industry’s economic contribution to gross domestic product (GDP) at the national level, or gross state product (GSP) at the state level. Other measures, such as total revenue or total exports, may be easier to estimate than value added, but they ‘double count’. That is, they overstate the contribution of a company to economic activity because they include, for example, the value added by external firms supplying inputs or the value added by other industries.

Value added is the sum of:

- **Gross operating surplus** (GOS), which represents the value of income generated by the entity’s direct capital inputs, generally measured as earnings before interest, tax, depreciation and amortisation (EBITDA).
- **Labour income**, which represents the value of output generated by the entity’s direct labour inputs, as measured by the income to labour.
- **Tax on production less subsidy provided for production**, which generally includes company taxes and taxes on employment (given the returns to capital before tax (EBITDA) are calculate and company tax is not included or this would double count that tax). Gross output measures the total value of the goods and services supplied by the entity. This is a broader measure than value added because it is an addition to the value added generated by the entity. It also includes the value of intermediate inputs used by the entity that flow from value added generated by other entities.
- **Employment** is a fundamentally different measure of activity to those above. It measures the number of workers that are employed by the entity, rather than the value of the workers’ output.

C.2. Measuring the economic contribution
There are several commonly used measures of economic activity, each of which describes a different aspect of an industry’s economic contribution.

Value added measures the value of output (i.e. goods and services) generated by the entity’s factors of production (i.e. labour and capital) as measured in the income to those factors of production. The sum of value added across all entities in the economy equals GDP. Given the relationship to GDP, the value added measure can be thought of as the increased contribution to welfare.

**Figure C.1** shows the accounting framework used to evaluate economic activity, along with the components that make up gross output. Gross output is the sum of value added and the value of intermediate inputs. Value added can be calculated directly by summing the payments to the primary factors of production, labour (i.e. salaries) and capital (i.e. gross operating surplus), as well as production taxes less subsidies. The value of intermediate inputs can also be calculated directly by summing up expenses related to non-primary factor inputs.

**Figure C.1: Economic activity accounting framework**

```
| Intermediate inputs (sourced from other industries) |
| Salaries |
| Gross operating surplus |
| Production taxes less subsidies |
```

Gross output (total revenue)
Appendix C: Economic contribution methodology (cont.)

C3. Direct and indirect contributions
Direct economic contribution is a representation of the flow from labour and capital from businesses that have participated in either SBE, Heads over Heels and Scale Investors and are still active. Indirect contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by the businesses whose founder has participated in one of the three organisations.

Estimation of the indirect economic contribution is undertaken in an input-output (IO) framework using Australian Bureau of Statistics input-output tables, which report the inputs and outputs of specific sectors of the economy.

The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

C.4. Estimating economic contribution for the program participants
An economic contribution for program participants can be generated using either a ‘top-down’ (using publicly available data at the sector level) or ‘bottom-up’ (survey of industry members) approach. A mixed approach is used here.

For this analysis, we have conducted a survey of program participants, receiving a sample 62 responses with complete information for FY2020-21 of participants across the three organisations. This provides an understanding of the program participants’ economic activity with collected financial information flowing directly into our modelling. We scaled these estimates up to the entire cohort of 341 unique businesses using median information of businesses with similar years in operation (less than five years, five years or more but less than ten years, and more than 10 years in operation). This method assumes that the sample provides a reasonable estimate of the business characteristics of the rest of the program participants.

To estimate the indirect flow-on contribution, we have used the survey of program participants and utilised the expenditure patterns identified in the national IO tables for each industry as identified by the ABS. These expenditure profiles have been adjusted for imports so that only domestic contribution is considered. This means that the expenditure profile of the participants is similar to the industry that the business operates within.

The proportion of industries that SBE participants operate within is shown in Table C.1.

While the entirety of the economic activity supported by these businesses cannot be wholly attributed to the three programs the business owners undertook, the programs do have a significant impact on the ability of the founders to scale up their business. Almost three quarters of businesses believed participation in the program improved their business growth trajectory.

| Information, media and telecommunications | 33% |
| Retail trade                              | 21% |
| Other services                            | 14% |
| Professional, scientific and technical services | 9%  |
| Health and social assistance               | 7%  |
| Arts and recreation services               | 6%  |
| Accommodation, cafes and restaurants       | 4%  |
| Education and training                     | 3%  |
| Manufacturing                             | 1%  |
| Finance and insurance                      | 1%  |
Appendix C: Economic contribution methodology (cont.)

C.5. Detailed results of economic contribution

Table C.2: Economic contribution of program participants, 2020-21

<table>
<thead>
<tr>
<th></th>
<th>Direct ($m)</th>
<th>Indirect ($m)</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added</td>
<td>749</td>
<td>260</td>
<td>1,009</td>
</tr>
<tr>
<td>Gross Operating Surplus</td>
<td>546</td>
<td>114</td>
<td>660</td>
</tr>
<tr>
<td>Labour income</td>
<td>203</td>
<td>146</td>
<td>349</td>
</tr>
<tr>
<td>Employment (FTE)</td>
<td>3,109</td>
<td>1,743</td>
<td>4,852</td>
</tr>
</tbody>
</table>

Source: Deloitte Access Economics Survey and analysis. Note: All figures have been rounded to the nearest hundred.

C.6. Limitations of economic contribution studies

While describing the geographic origin of production inputs may be a guide to a firm’s linkages with the local economy, it should be recognised that these are the types of normal industry linkages that characterise all economic activities.

Unless there is significant unused capacity in the economy (such as unemployed labour) there is only a weak relationship between a firm’s economic contribution as measured by value added (or other static aggregates) and the welfare or living standard of the community.

Indeed, the use of labour and capital by demand created from the industry comes at an opportunity cost as it may reduce the amount of resources available to spend on other economic activities. This is not to say that the economic contribution, including employment, is not important.

In a fundamental sense, economic contribution studies are simply historical accounting exercises. No ‘what-if’, or counterfactual inferences such as ‘what would happen to living standards if the firm disappeared?’ should be drawn from them.

The analysis relies on a national input-output table modelling framework and there are some limitations to this modelling framework. The analysis assumes that goods and services provided to the sector are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. As a result, the modelled total and indirect contribution can be regarded as an upper-bound estimate of the contribution made by the supply of intermediate inputs.

Similarly, the IO framework does not account for further flow-on benefits as captured in a more dynamic modelling environment like a Computable General Equilibrium model.
References
Endnotes


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32 Techboard provided female funding data (2022).


35 Techboard provided female funding data (2022).


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