

United States Case Study:

*Successful Public and Private Sector
Initiatives Fostering the Growth of
Women's Business Ownership*



**National
WOMEN'S
BUSINESS
Council**



**Interagency
Committee on
Women's Business
Enterprise**

National Women's Business Council
Interagency Committee on Women's Business Enterprise

Presented at the Organization for Economic Cooperation and Development Conference,
"Women Entrepreneurs in Small and Medium-Sized Enterprises: Realizing the Benefits
of Globalization and the Knowledge-Based Economy."

THE WHITE HOUSE

WASHINGTON

November 9, 2000

Warm greetings to all those gathered for the second Organization for Economic Co-operation and Development Conference on Women Entrepreneurs in SME's. I am pleased that the U.S. delegation is bringing to the table a case study of programs and initiatives that have been successful in fostering women's business ownership in the United States.

Just a century ago, American women did not have the right to vote or own property; today they hold positions of leadership in government, business, and virtually every other field of endeavor. The entrance of women into the marketplace has had an unparalleled impact on the growth and productivity of the U.S. economy, and investment in this sector not only reduces gender inequities, but also benefits our society as a whole.

Women now participate in our economy in record numbers, as both consumers and business owners. It is no accident that their progress coincides with America's unprecedented economic prosperity. While this phenomenon began decades ago with the entry of women into the workforce in record numbers, it is now being propelled through women's business ownership.

The success of the programs and initiatives highlighted in the U.S. case study demonstrates that increased investment in this dynamic entrepreneurial sector of the world economy is vital to creating and sustaining prosperity. I am pleased that the OECD is bringing together so many prominent women entrepreneurs, policymakers, researchers, and development experts to focus on these and other findings and to reaffirm an international commitment to women's entrepreneurship.

Best wishes to all for an enjoyable and productive conference.

Bill Clinton

United States Case Study

Successful Public and Private Sector Initiatives Fostering the Growth of Women's Business Ownership.

A report prepared by the National Women's Business Council and the Interagency Committee on Women's Business Enterprise in conjunction with the 2000 Organization for Economic Co-operation and Development (OECD) conference on women entrepreneurs in small and medium enterprises.

**November 2000
Washington, DC**

The National Women's Business Council
409 Third Street, SW, Suite 210
Washington, DC 20024
PH: 202-205-3850 FX: 202-205-6825

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Special thanks to Julia Lauve of the National Women's Business Council who coordinated and compiled the submissions included in this Case Study.

The **National Women's Business Council** was created by the United States Congress to serve as an independent source of advice and counsel to the President and Congress on issues of importance to women entrepreneurs. The Council has provided the women's business community with a seat at the policy-making table and has addressed cutting-edge issues of access to capital and access to markets that have posed the greatest challenge to women seeking to launch and grow their businesses. Additional information about the NWBC is available at www.nwbc.gov.

The **Interagency Committee on Women's Business Enterprise** is comprised of senior policy officials from Cabinet level Departments and agencies and is chaired by a senior White House official. The Interagency was established to ensure that an environment fostering women's entrepreneurship exists throughout the federal government. The duties of the Interagency Committee consist of monitoring, coordinating and promoting the plans, programs and operations of the departments and agencies of the Federal government that may contribute to the establishment and growth of women's business enterprise. The Interagency Committee reports directly to the President and Congress and works closely with its private sector counterpart, The National Women's Business Council.

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Introduction

We are pleased to offer to the delegates to the 2000 OECD Conference on Women Entrepreneurs in Small to Medium Size Enterprises (SMEs) the United States Case Study: Successful public and private sector initiatives fostering the growth of women's business ownership.

Women have played a significant role in the unprecedented prosperity we have enjoyed during a decade characterized by the longest economic expansion in our country's history. We credit the high degree of participation of women in the workforce and the dynamic increase in women's business ownership for the great strides made over the last eight years. As a matter of fact a study conducted by the Kauffman Center for Entrepreneurial Leadership affirmed that countries with high levels of economic activity and with the highest start-up business rates are the ones where women are well-engaged in entrepreneurial activity.

We offer this Case Study as a tool for our colleagues around the world to aid in fostering women's business ownership. While not an exhaustive catalog, this Case Study showcases programs that have been successfully implemented by both government and private sector institutions. In implementing these programs, our leaders have recognized the strategic importance of investing in women's entrepreneurship over the long run.

By sharing some of our most successful efforts, it is our hope that this Case Study will be more than just food for thought. Not taking women seriously as creators of wealth is a great opportunity lost. Countries that wish to ensure the health of their economy and increase the level of business development may make major gains by helping women to become more involved.

The U.S. Department of Agriculture, Rural Development's Rural Business- Cooperative Service

I. Description of Program

The mission of the Rural Business-Cooperative Service (RBS) of the U.S. Department of Agriculture is “to enhance the quality of life for rural Americans by providing leadership in building competitive businesses including sustainable cooperatives that can prosper in the global marketplace.” The agency meets these goals by:

- ◆ investing financial resources and providing technical assistance to businesses and cooperatives located in rural communities;
- ◆ establishing strategic alliances and partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

II. Program History

The U.S. Department of Agriculture was founded in 1862 by President Abraham Lincoln. At that time, Mr. Lincoln called it the “people’s Department.” In Lincoln’s day, 90 percent of the people were farmers. Today, USDA continues Lincoln’s legacy by serving all Americans, the two percent who farm as well as everyone who eats, wears clothes, lives in a house, or visits a rural area or a national forest. The USDA serves all Americans through its variety of programs including the Rural Business-Cooperative Service.

The business and industry loan guarantee program administered by the Rural Business-Cooperative Service has grown from less than \$100 million in 1993 to over \$1.0 billion during the Clinton Administration. President Clinton recognized that if rural areas were going to have the same opportunity to prosper in a growing, dynamic economy, particularly a technology based economy in which distance from market centers is no impediment, they had to have the same access to service and monies to accomplish this. Under Secretary Jill Long Thompson recognized that, due to the demographics and economics of rural areas, women were going to be the key source of talent available for the workforce and new businesses in rural areas began to encourage more use of business assistance programs by women owned businesses.

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The USDA Rural Business-Cooperative Service was designed to address the need for funding development projects, and providing assistance to the rural American community.



USDA Rural Development is forging new partnerships with rural America by funding development projects and providing technical assistance and information to create quality jobs, services, housing, and utilities.

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III. Issues Program was Designed to Address

The USDA Rural Business-Cooperative Service was designed to address the need for funding development projects, and providing assistance to the rural American community. This is done to create and expand jobs, and to ensure services to rural communities nationwide.

Within the overall objectives of the program, i.e., to stimulate business activity and the creation or retention of jobs in rural America, this particular initiative was part of the overall initiative to make Rural Development programs more accessible to minority populations. This objective is more difficult to achieve in business loan guarantee programs because the primary relationship is between the Agency and the lender seeking a guarantee. The Agency has little direct contact, if any, with the borrower.

This is further complicated by the fact that the lending capacity of most rural banks is so limited, by the loan to asset ratios they must maintain for their regulators, that lending practices tend to be with existing customers. This issue is being addressed by helping lenders understand that the loan guarantee program can expand lending opportunities because the guaranteed loan can be sold in the secondary market and not count against their loan to asset ratios. The program exists not only to help stimulate business activity in rural areas, but to help small community banks pay a vital role in the economic activity of their community.

IV. Successful Elements of Program

USDA Rural Development is forging new partnerships with rural America by funding development projects and providing technical assistance and information to create quality jobs, services, housing, and utilities. Revitalizing rural America is vital if we are to ensure that rural citizens can participate fully in the global economy. As the department for rural America, we bring housing, modern telecommunications, safe drinking water and more to our country's rural communities.

USDA Rural Development is comprised of three agencies, but this Case Study will focus on the Rural Business-Cooperative Service. RBS provides help to rural areas that need to develop new economic opportunities, allowing businesses and cooperatives to remain viable in a changing economy. RBS works in partnership with public and private community based organizations to provide financial assistance, business planning, and technical assistance to rural businesses. RBS also conducts research into rural economic issues, including rural

cooperatives, and provides educational material to the public. This truly public/private partnership is achieved through the RBS loan, grant and technical assistance programs.

Business & Industry Guaranteed Loans

The Business & Industry (B&I) Guaranteed Loans help finance rural business and industry projects that create employment opportunities and improve the economic and environmental climate in rural communities. Loans are limited to \$25 million for any one borrower. Eligible purposes include construction/expansion of a business, purchase of equipment/machinery, start-up costs and working capital, processing and marketing facilities.

In Fiscal Year 1999, RBS funded \$40,819,858 in guaranteed loans to rural women businesses. Of this total amount, loans were used for business expansion, start-up businesses, refinancing, and equipment purchase.

In Fiscal Year 2000, RBS obligated a total of \$214,814,966 in funding for the B&I Guaranteed Loan Program to women. This is a total of 230 loans, or 6 percent of B&I funds that were made to women-owned businesses.

Business & Industry Direct Loans

The Business and Industry (B&I) Direct Loan Program provides loans to public entities and private parties who cannot obtain credit from other sources. Loans to private parties can be made for improving, developing, or financing business and industry, creating jobs, and improving the economic and environmental climate in rural communities (including pollution abatement). This type of assistance is available in rural areas (this includes all areas other than cities or unincorporated areas of more than 50,000 people and their immediately adjacent urban or urbanizing areas). Eligible applicants include any legally organized entity, including cooperatives, corporations, partnerships, trusts or other profit or nonprofit entities, Indian tribes or Federally recognized tribal groups, municipalities, counties, any other political subdivision of a State, or individuals. Loans are available to those who cannot obtain credit elsewhere and for public bodies. The maximum aggregate B&I Direct Loan amount to any one borrower is \$10 million.

In Fiscal Year 2000, the Rural Development B&I Direct Loan program provided \$1,689,250 in loans to rural women business owners for business expansion, start-up businesses, and renovation.

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The Business and Industry (B&I) Direct Loan Program provides loans to public entities and private parties who cannot obtain credit from other sources.

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The Business & Industry (B&I) Intermediary Relending Program (IRP) loans finance business facilities and community development projects in rural areas.



The Rural Business Enterprise Grants (RBEG) program is for public bodies, nonprofit corporations, and Federally-recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises located in areas outside the boundary of a city or unincorporated areas of 50,000.

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Business & Industry Intermediary Relending Program

The Business & Industry (B&I) Intermediary Relending Program (IRP) loans finance business facilities and community development projects in rural areas. IRP funds must be used for community development projects, establishment of new businesses, and expansion of existing business. They may also be used for the purchase of land, business construction/expansion and the purchase of equipment. Loans are made to intermediaries, public agencies, private non-profit corporations, Federally recognized Indian Tribes, and cooperatives.

In FY 2000, RBS obligated \$38,256,965 in funding for the IRP. This funding resulted in a total of 68 loans and a total of \$1,500,000 was awarded to women owned businesses.

Rural Business Enterprise Grants

The Rural Business-Cooperative Service (RBS) makes grants under the Rural Business Enterprise Grants (RBEG) Program to public bodies, nonprofit corporations, and Federally-recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises located in areas outside the boundary of a city or unincorporated areas of 50,000 or more and its immediately adjacent urbanized or urbanizing area. Costs that may be paid from grant funds include the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility and service extensions; refinancing; fees for professional services; technical assistance and related training for adults; startup operating costs and working capital, providing financial assistance to a third party; production of television programs to provide information to rural residents; and to create, expand, and operate rural distance learning networks.

Grants may also be made to establish or fund revolving loan programs. Eligibility is limited to public bodies, private nonprofit corporations, and Federally-recognized Indian Tribal groups. Public bodies include incorporated towns and villages, boroughs, townships, counties, States, authorities, districts, Indian Tribes on Federal and State reservations, and other Federally-recognized Indian Tribal groups in rural areas. Small and emerging businesses with less than 50 new employees and less than \$1 million in gross annual revenues are eligible for assistance. Funds may be used to facilitate the development of small and emerging private business enterprises. Costs that may be paid from grant funds include the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility and service extensions; refinancing; fees for professional services; technical assistance and adult training associated with technical assistance; startup operating costs and working capital, providing

financial assistance to a third party; production of television programs to provide information to rural residents; and to create, expand, and operate rural distance learning networks. There are limitations as to what the grants can be used for. These limitations are designed so prevent overlapping of this loan program with other rural loan programs.

Rural Opportunity Grants

Rural Business Opportunity Grant funds provide for technical assistance, training, and planning activities that improve economic conditions in rural areas. Applicants must be located in rural areas (this includes all areas other than cities of more than 50,000 people and their immediately adjacent urban or urbanizing areas). Nonprofit corporations and public bodies are eligible. A maximum of \$1.5 million per grant is authorized by the legislation. RBS is designing the program to promote sustainable economic development in rural communities with exceptional needs.

Rural Economic Development Loans and Grants

RBS provides zero interest loans and grants to Rural Utilities Service (RUS) financed telephone and electric utilities to promote rural economic development and job creation projects. Zero interest loans may be made, at the discretion of the Rural Business-Cooperative Service (RBS) Administrator, to any RUS borrower that is not delinquent on any Federal debt or in bankruptcy proceeding. RBS provides grants from the Rural Business-Cooperative Service (RBS) to rural communities through Rural Utilities Service (RUS) borrowers to be used for revolving loan funds for community facilities and infrastructure and for assistance in conjunction with rural economic development loans. Funds may be granted to any electric or telephone RUS borrower that is not financially distressed, delinquent on any Federal debt, or in bankruptcy proceedings.

Cooperative Services

The mission of Cooperative Services Program is to promote understanding and use of the cooperative form of business as a viable organizational option for marketing and distributing agricultural products. Cooperative Services helps improve the performance of the Nation's cooperatives and promotes understanding and use of the cooperative form of business. By working together for their mutual benefit in cooperatives, rural residents are often able to reduce costs for production supplies and consumer goods, obtain services that might otherwise be unavailable, and achieve greater returns for their products.

Rural Business Opportunity Grant funds provide for technical assistance, training, and planning activities that improve economic conditions in rural areas.



RBS provides zero interest loans and grants to Rural Utilities Service (RUS) financed telephone and electric utilities to promote rural economic development and job creation projects.

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The USDA's Rural Development's Rural Business-Cooperative Service's goals include:

- ◆ **investing financial resources and providing technical assistance to businesses and cooperatives located in rural communities;**
- ◆ **establishing strategic alliances and partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.**

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Since 1995 the volume of business and industry loan guarantees issued by the Rural Business-Cooperative Service has increased from 3 percent of total loans to 8 percent of total loans in the year 2000. Simultaneously the total volume of loans has grown from \$424 million to \$1.0 billion.

V. Success Stories

Eagle Aviation, Inc./Eagle Air Inc., incorporated by the State of Montana in 1991, is owned and managed by Patricia Ashby. The business is located at the Glacier Park International Airport in northwest Montana and provides a full service, fixed base operation at the airport. The business also provides bulk fuel distribution to 12 western states and military bases that include the Air force, Army, and Navy.

Eagle Aviation, Inc., provides bulk fuel deliveries, plane contracts, bulk fuel storage, and is a self-service faculty for airplane fuel purchase. Major airlines served by Eagle Aviation, Inc., includes Delta, Northwest, and Horizon Air. Eagle Air, Inc., provides aircraft repair and maintenance, flight instruction, aircraft rental, hangar rental, tie down rental office rental, and air carrier operations.

Patricia Ashby is a Native American, thus qualifying her for Small Business Administration's "8A Disadvantaged Business" status. This gives Patricia's business an advantage for fuel purchase rates.

The Rural Business-Cooperative Service approved a \$490,000 Business and Industry (B & I) Guaranteed loan through the Valley Bank, Kalispell, Montana. The loan will be amortized over 20 years with a 7.25 percent fixed rate on the guaranteed portion. The Valley Bank is in the process of closing this loan, after which the Loan Note Guarantee will be issued. The B & I Guaranteed Loan will be leveraged with a \$180,000 loan made by the Northwest Montana Human Resources, Inc., Kalispell, Montana, which is an intermediary Relending Program (IRP) borrower. The IRP loan to Eagle Aviation, Inc./Eagle Air, Inc., has been closed; the loan is amortized over 15 years at a 7 percent interest rate.

The B & I Guaranteed Loan provided financing for the construction of a 19,200 square foot airplane hanger with an attached two story, 3,340 square foot office space.

VI. Lessons Learned

Promoting a dynamic business environment in rural America is the goal of Rural Business-Cooperative Service (RBS). RBS works in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. RBS helps fund projects that create or preserve quality jobs and/or promote a clean rural environment. RBS has found that its resources can often be leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas.

The RBS has learned that provision of its various services realizes its mission of building competitive businesses including sustainable cooperatives that can prosper in the global marketplace.

For more information about the Rural Business-Cooperative Service program, please contact:

United States Department of Agriculture
Rural Business-Cooperative Service
1400 Independence Avenue, SW
Room 5050 South Building
Washington, DC 20250
Phone: (202) 720-1400

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Department of Commerce, International Trade Administration (ITA), Women In International Trade Initiative

I. Description of Program

The U.S. Department of Commerce created the Women In Trade Initiative to spread the word of its services to women-owned or managed companies throughout the U.S. It has led to programs created specifically for the needs of women-owned businesses. For instance, there is now a web site at www.usatrade.gov/womenintrade, providing links to women-in-business resources, financial resources, a trade events calendar, exporting advice and much more. The Department of Commerce has developed a Visit Industry Program (VIP), which provides a trade specialist to companies lacking personnel resources. The specialist will assist the company in developing an export program, which will prepare the company for international trade.

II. History of the program

The U.S. Department of Commerce's Women in International Trade Initiative was launched on March 8, 1999 with an announcement made at the International Women's Day Breakfast by former Secretary of Commerce, William Daley. "The fact is, the group creating more businesses and more jobs than any other group is women," said Daley. "In the last decade or so, the growth of women-owned businesses outpaced overall business growth by nearly 2 to 1. If we want to grow our exports, we need this fast-growing segment exporting."

The Commerce Department's ITA has a history of helping small to medium-sized enterprises (SMEs) by offering a wide array of programs and services to help SMEs compete and win in the global economy. We organize several hundred trade events yearly. To further support small businesses, the ITA's Commercial Service operates numerous interagency Export Assistance Centers (USEACs), serving every region of the United States. At these-centers, small businesses can receive information on Federal export programs and financing assistance. SMEs can also call our Trade Information Center at 1-800-USA-TRAD(E) for many types of assistance including basic export counseling, regulatory requirements, and country and regional counseling. Through its "Advocacy Center," ITA also leads the government-wide advocacy network to level the international trade playing field.

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Studies have shown that although women now own 40 percent of U.S. export-ready companies, less than 2 percent of them account for export sales.



This initiative was created to increase that number, helping women to expand business and achieve the economic benefits provided by exporting and the increasing globalization of the economy.

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III. Issues Program was Designed to Address

Studies have shown that although women now own 40 per cent of U.S. export-ready companies, less than 2 per cent of them account for export sales. This initiative was created to increase that number, helping women to expand business and achieve the economic benefits provided by exporting and the increasing globalization of the economy.

There is an abundance of women-owned or managed business that can benefit from the DOC's services. With these businesses contributing over \$3.6 trillion to the economy, it is imperative that they be exposed to the unique advantages that the DOC can provide women entrepreneurs. "We've seen that women are often more willing to take risks," states Elizabeth Sears, Deputy Assistant Secretary for Domestic Operations. "In business dealings, they are often more flexible and aware of the cultural aspects involved."

IV. Successful Elements of Program

The initiative's important outcome includes the development of strategic partnerships with women's organizations such as the National Association of Women Business Owners (NAWBO) and the Business Women's Network (BWN), as well as the Office of Women's Business Ownership of the Small Business Administration and the White House Women's Office. Through these partnerships, the DOC can better support conferences such as the Canada/USA Businesswomen's Trade Summit 1999, in which 101 American women business owners from 31 states participated.

Since 1995, the DOC has also been successfully coordinating Women In Trade Missions to regions throughout the world. These Missions match American executives with potential customers abroad, introducing a company's products and services to foreign markets through pre-arranged one-on-one meetings. The missions are excellent opportunities for women-owned businesses to begin and develop their international exporting programs. Women In Trade Missions help women become proactive in increasing their export sales by meeting face-to-face with potential customers. Participants have reported more than \$10 million in sales, as well as distributors and joint ventures in 12 different foreign cities.

Another successful program offered to women entrepreneurs in the U.S. is an export-training program held annually in 18 cities throughout the country entitled "Export Training Program for Minority and Women Owned Companies". Firms are provided with a

tailored export-training program, helping to ensure their success in transacting business in the global market. In addition, the DOC is also interested in the trade policy concerns of women-owned businesses. ITA obtains these concerns through a series of Federal advisory committees including the President's Export Council (PEC), a CEO-level group that reports directly to the President, and 21 industry sector and functional advisory committees that cover everything from footwear to steel to IPR to E-Commerce. These committees report their advice to the Commerce Secretary and the U.S. Trade Representatives. Women are well represented on all of these committees, and provide an invaluable contribution to the trade policy process. Through all of these programs and groups, the DOC is ready to assist any US women interested in doing business abroad.

V. Success Stories

Candy Bouquet International

"You can't be afraid," said Margaret McEntire on the success of her business, Candy Bouquet International. "Women have to be a little bolder to see the opportunities that lie outside of staying at home with the kids." Before founding Candy Bouquet, McEntire was the epitome of the American housewife. She was and still is a good mother and wife, spending time at home to manage household activities. But McEntire, like the other eight million women in the United States that either own or manage their own businesses, had the entrepreneurial drive that pushed her to seek dreams not limited by the front door of her home. In order to realize these dreams, outside assistance can prove most valuable for fledgling entrepreneurs like McEntire. The U.S. Department of Commerce has and will continue to be an important ally of these inspiring women entrepreneurs that are seeking to create business outside of the U.S.

Starting with a big dream on a small budget of one thousand dollars was no easy task for McEntire, working out of the garage of her home in 1989. But with determination, Candy Bouquet, a franchise company that creates bouquets of wrapped gourmet chocolates and candies on a stem in place of flowers, came into existence. "Candy Bouquets will work anywhere," says McEntire of her company. "Everybody in the world loves flowers, and everybody eats candy." Today, her company has 450 franchises worldwide in 30 countries with total franchise store sales at over \$40 million. With the help of the U.S. Department of Commerce, her export sales are approaching \$1 million. As a result of her success internationally, she was named by the Small Business Administration as the 1998 SBA Small Business Person of the Year and Exporter of the Year for Arkansas, and she is Director of Arkansas' District Export Council.

Since 1995, the DOC has also been successfully coordinating Women In Trade Missions to regions throughout the world. These Missions match American executives with potential customers abroad, introducing a company's products and services to foreign markets through pre-arranged one-on-one meetings.



One of the most successful initiatives is the Export Training Program for Minority and Women Owned Companies. Firms are provided with a tailored export-training program, helping to ensure their success in transacting business in the global market.

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The initiative's important outcome includes the development of strategic partnerships with women's organizations such as the Business Women's Network (BWN), as well as the Small Business Administration's Office of Women's and the White House Women's Office.

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Even though McEntire has had success franchising internationally, surprisingly, she had no previous training on exporting. She found that she needed some assistance when contacted by a princess in the royal family of Malaysia. The princess wanted to franchise the company in Asia, but McEntire did not know how to handle the request. "Besides being a director of a school for the handicapped and a secretary for my husband's oil and gas exploration company, I had had little business experience," says McEntire. "So, I picked up a phone book and found the Arkansas Export Assistance Center (EAC) of the U.S. Department of Commerce. I had a hunch they could help." Dennis Millard, International Trade Specialist at the Little Rock, Arkansas Export Assistance Center, took her call, and she has been a client ever since. "There are tremendous opportunities for people looking to take their business abroad," he says. "Margaret is a very smart business person who needed some assistance on exporting which we were able to provide. It's been a great synergy."

The Arkansas EAC has provided Candy Bouquet direct export consultations concerning international franchise regulation, intellectual property rights, export market strategic planning, country trade regulations and standards, market research reports, business and cultural insights and advocacy consultation. Also, McEntire participated in the 1999 "Women's Economic Summit of the Americas" in Buenos Aires, which was sponsored by the U.S. DOC. Candy Bouquet's participation in U.S. DOC-led Eastern Europe Trade Mission in 1997 and the Women In Trade Mission to South America in 1999 proved to be lucrative, resulting in franchise agreements with companies in Columbia, Austria and Hungary. "Dennis Millard and the Arkansas Export Assistance Center of the Department of Commerce have been wonderful," McEntire says. "My father always told me 'Quitters never win; winners never quit.' He was right. All it takes is a dream, the belief that you can succeed, and outside assistance from people who really know what they're doing."

MPL Corporation

MPL Corporation, Buckhannon, WV is a developer and designer of computer information systems. The firm has been a client of the Charleston EAC for approximately six (6) years. Mrs. Linda Wellings, President, was referred to the Charleston EAC in June 1994 by Congressman Bob Wise's Office to obtain marketing information in preparation for a trip to Northern Ireland. While in Northern Ireland, she participated in discussions on information systems with community action groups such as Ledu (comparable Irish agency to U.S. SBA). As MPL's interest in Ireland increased, Mrs. Wellings registered to participate in the U.S. Department of Commerce's

AMBIT program. In addition, Mrs. Wellington participated in the White House Conference for Trade and Investment in Northern Ireland held in Washington, D.C. - May 24-26, 1995, the U.S. Conference for Trade and Investment in Northern Ireland held in Pittsburgh, PA - October 6-8, 1996, and Secretary Daley's Trade Mission to Northern Ireland and the Border Counties - June 7-11, 1998. As a result of the Pittsburgh conference, MPL met an Irish company who has since through the AMBIT Program become MPL's joint-venture partner in developing software training CD's for school systems. A training CD was recently developed to be utilized by the school system in Scotland and is in the process of being rewritten for possible use in American schools. MPL's successful joint-venture partnership can be attributed to persistent efforts and participation in the above events. This is an excellent example of how our rural outreach effort and Women in International Trade Initiative have contributed to the success of a small business client.

VI. Lessons Learned

Women owned business entrepreneurs face many challenges if they are to be successful. "By exporting products and services to the international marketplace, women-owned businesses spread their risks and benefit from the potential of a much larger market" says Elizabeth Sears. "Exporting means they diversify their markets so they are less subject to season or economic fluctuations. They can spread their production costs to a larger base and get ideas about new products or different marketing and finance approaches. In the global marketplace, fifty-seven percent of women-owned businesses developed a new product or service compared to forty-four percent of those not in international trade. Since the U.S. market represents only about five percent of the world population, exporting can mean increased total sales and profitability. In other words, exporting is a sound business practice." Women-owned businesses involved in international trade also have higher growth rates than those not involved in international trade. "As they work toward penetrating foreign markets and the exporting process, small and medium-sized U.S. women-owned businesses have a huge resource in the U.S. Department of Commerce. The Commerce Department's Women in Trade Initiative focuses on helping this under-served group to succeed in the international marketplace" says Elizabeth Sears. "In effect, we have been successful at helping women do international business better." As these success stories and many others show, the U.S. Department of Commerce is dedicated to helping every woman-owned business enjoy the economic benefits of exporting.

"By exporting products and services to the international marketplace, women-owned businesses spread their risks and benefit from the potential of a much larger market. In the global marketplace, fifty-seven percent of women-owned businesses developed a new product or service compared to forty-four percent of those not in international trade. Since the U.S. market represents only about five percent of the world population, exporting can mean increased total sales and profitability. In other words, exporting is a sound business practice."

Elizabeth Sears
Deputy Assistant Secretary
for Domestic Operations
Department of Commerce
International Trade
Administration

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Successful public and private
sector initiatives fostering the
growth of women's business
ownership.*

For more information about the Department of Commerce's International Trade Administration, please contact:

Misty Dippel
Outreach Programs Assistant
14th and Constitution Ave., NW
Room 3810
Washington, DC 20230
Phone: 202-482-1170
Fax: 202-482-0687
Email: Misty.Dippel@mail.doc.gov

“In the last decade or so, the growth of women-owned businesses outpaced overall business growth by nearly two to one. If we want to grow our exports, we need this fast-growing segment exporting.”

Former Secretary of Commerce, William Daley at the International Women's Day Breakfast, March 1999

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The President's Interagency Council on Women and the Vital Voices Global Democracy Initiative

I. Description of Program

The Vital Voices Global Democracy Initiative of the President's Interagency Council on Women is an ongoing global initiative that implements U.S. Secretary of State Madeleine Albright's commitment to promote the advancement of women as a U.S. foreign policy objective. This initiative enjoys the active support of First Lady Hillary Rodham Clinton, honorary chair of the President's Interagency Council on Women. The Department of Commerce, the Department of Justice, and the Department of Labor also participate in Vital Voices efforts.

II. Program History

President Clinton established the President's Interagency Council on Women in August 1995, on the eve of the United Nations Fourth World Conference on Women in Beijing, in order to "make sure that all the effort and good ideas actually get implemented when we get back home."

Since the 1995 mandate, the President's Council has coordinated implementation of the Platform for Action at the Federal level, and worked with individual agencies to develop crosscutting initiatives to further women's progress. The Council engages in outreach and public education that supports the goals of the Platform for Action goals that improve the status and well-being of women and their families, both domestically and internationally.

On March 30th, 2000 The President's Council formally introduced the [2000 edition of America's Commitment](#), a comprehensive five-year review of U.S. government programs, policies, and initiatives that promote the advancement of women. The report measures U.S. government efforts against the goals of the UN Platform for Action, the final consensus document adopted by 189 nations at the UN Women's Conference. The Platform is the strongest statement of women's empowerment ever made by the international community.

Among the programs promoted by the Interagency Council, The Vital Voices Initiative has been heralded as a premier initiative on women's issues. The Vital Voices Initiative is directed by Theresa Loar, Director of the President's Interagency Council on Women.

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United States Case Study : Successful public and private sector initiatives fostering the growth of women's business ownership.

The first Vital Voices Initiative was launched with the Vital Voices Conference in Vienna, Austria, in July 1997 to recognize and support the critical role women play around the world in building democracies, strengthening economies, and sustaining peace.



U.S. Government, in partnership with the Inter-American Development Bank, the United Nations, the World Bank, the Nordic Council of Ministers, the European Union, and other governments coordinated Vital Voices Conferences throughout the world.

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III. Global Impact

The Vital Voices Democracy Initiative has had significant impact:

- ◆ Vital Voices has brought together over 3000 emerging women leaders from over 80 countries.
- ◆ Vital Voices has created new US Government programs and policies to support the economic, social, and political advancement of women throughout the world.
- ◆ Vital Voices has leveraged private sector support in the form of in-kind political, media and leadership training, exchanges, internships, consulting, grants, and public service announcements.
- ◆ Vital Voices has created unprecedented partnerships and has unleashed a growing global network of people and partners who support women building economies, strengthening democracies, and sustaining peace.

IV. Successful Elements of Program

Vital Voices: Women in Democracy—Vienna, Austria

The Vienna Conference convened women leaders from the governmental and private sectors of central and Eastern Europe, the United States, and the European Union. Approximately 300 participants explored ways to strengthen the role of women as democracy-builders through three tracks of workshops: law and leadership, politics and public life, and economics and business. The Conference, conceived by Swanee Hunt, then U.S. Ambassador to Austria, forged partnerships among women. As a result of this effort, U.S. government and private sector support for programs and policies directed towards the advancement of women and girls significantly

increased. First Lady Hillary Rodham Clinton affirmed the U.S. government's support for women as democracy-builders and announced a U.S. government commitment of \$3,000,000 for Vital Voices follow-up projects. At the Conference Secretary of State Madeleine K. Albright stated, "We know that we cannot build the kind of future we want without the contributions of women. And we know that around the world, women will only be able to contribute to our full potential if we have equal access, equal rights, equal protection and a fair chance at the levers of economic and political power. Advancing the status of women is the right thing to do; and, frankly, it is the smart thing to do."

Vital Voices: Women in Democracy—Belfast, Northern Ireland

On May 7, 1998, President Clinton announced the Vital Voices of Northern Ireland Initiative to "showcase and support women's role in the economic and political life of their society" as part of the U.S. government's initiatives to support Northern Ireland's Good Friday Agreement. He said, "The women of Northern Ireland – wives, mothers and daughters – have borne an enormous share of trauma of The Troubles. Now, their participation will be essential to build a future of peace and reconciliation."

Vital Voices of Northern Ireland was launched by First Lady Hillary Rodham Clinton in Belfast, Northern Ireland, at a regional conference held August 31 to September 2, 1998. The U.S. government co-sponsored this event with the Secretary of State for Northern Ireland and the First and Deputy First Ministers of the Northern Ireland Assembly. The Department of Justice's violence Against Women Office, the U.S. Department of Labor, the U.S. Commerce Department, and the U.S. Small Business Administration were also part of the U.S. delegation.

The Conference brought together 400 women and men from Northern Ireland, Ireland, Scotland, Wales, England, and the United States to establish new relationships, expand partnerships, and secure resources to strengthen the roles of women in democracy. The First Lady announced more than \$2,000,000 in public-private partnerships to support Vital Voices of Northern Ireland. These partnerships include training, consulting, mentoring, internships, exchanges, and in-kind products and services for the following four objectives identified at the conference: support community organizations, expand child care services, provide assistance to women in business, and strengthen advocacy and leadership skills.

Vital Voices: Women in Democracy—Montevideo, Uruguay

The Department of State, the U.S. Agency for International Development, the United States Information Agency, and the

"We know that we cannot build the kind of future we want without the contributions of women. And we know that around the world, women will only be able to contribute to our full potential if we have equal access, equal rights, equal protection and a fair chance at the levers of economic and political power. Advancing the status of women is the right thing to do; and, frankly, it is the smart thing to do."

**The Honorable
Madeleine K.
Albright, Secretary of
State**

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Vital Voices: Women in Democracy – Montevideo , Uruguay, was the first of its kind to bring together women from all over the hemisphere, was part of a global initiative of First Lady Hillary Rodham Clinton and Secretary of State Madeleine K. Albright to promote women in democracy.



These women came together to examine the status of women and to develop strategies for advancing their role in democracy along three thematic tracks: law and leadership, politics and public life, and economic integration and business growth.

United States Case Study : Successful public and private sector initiatives fostering the growth of women's business ownership.

Inter-American Development Bank sponsored the Vital Voices of the Americas conference, held in Montevideo, Uruguay, from October 1 to 3, 1998. The Department of Justice's Violence Against Women Office and the Small Business Administration also part of the U.S. delegation. This historic conference, the first of its kind to bring together women from all over the hemisphere, was part of a global initiative of First Lady Hillary Rodham Clinton and Secretary of State Madeleine K. Albright to promote women in democracy. The Montevideo conference brought together approximately 400 women leaders from Canada, the United States, Latin America, and the Caribbean. Women represented all social and political roles, including a former prime minister, a former vice president, current ministers, senators and congresswomen, labor leaders, heads of international corporations, and heads of non-governmental organizations and civil society groups. These women came together to examine the status of women and to develop strategies for advancing their role in democracy along three thematic tracks: law and leadership, politics and public life, and economic integration and business growth.

Based on the strategies developed at the Vital Voices conference, U.S. embassies in the Western Hemisphere are working with delegates to help implement country-specific action plans. Proposals include developing training programs on how to run for political office and how to start a business; providing women greater access to microcredit; enforcing legislation to protect women (for example, domestic violence); and creating networks of resources and contacts. The Department of State has also facilitated follow-up meetings with Vital Voices delegates during stops in Mexico and Central America by First Lady Hillary Rodham Clinton. The State Department provided \$100,000 in FY 1999 for four regional political training workshops in Guatemala, Brazil, Trinidad, and Bolivia and supported a follow-up Vital Voices conference in Trinidad September 29 to October 1, 1999, to examine issues specific to those small island nations. The State Department is also working with the Organization of American States' Inter American Commission on Women and the Summit of the Americas process to incorporate Vital Voices objectives into those fora.

Caribbean Vital Voices: Women in Democracy—Port-of-Spain, Trinidad

The Department of State in partnership with the United Nations Information Agency co-sponsored a Caribbean Vital Voices Conference that was held September 29 to October 1, 1999, in Port-of-Spain, Trinidad. The Conference provided a forum for establishing a sustainable culture of support for women in leadership in the Caribbean and focused on establishing a mentoring system for young

women. The Conference examined ways to address the culture of inequality, politically, economically, and socially; to create a mentoring system to ensure that skills and experience are transferred from one generation to the next; to create institutions to support the implementation of reforms to benefit women; and to promote women in business, labor, and politics. Officials from the Department of State and the President's Interagency Council on Women attended. First Lady Hillary Rodham Clinton addressed the conference via video.

Vital Voices: Women in Democracy—Reykjavik, Iceland

The Department of State's Bureau of European Affairs worked in partnership with the President's Interagency Council on Women to support a Conference on Women and Democracy in conjunction with the Vital Voices Democracy Initiative. The Conference took place in Reykjavik, Iceland, from October 8 to 10, 1999. Iceland hosted the Conference, with the U.S. government and the Nordic Council of Ministers co-sponsoring. First Lady Hillary Rodham Clinton attended and addressed the Conference. The Conference brought together women from governments, the media, business, non-governmental organizations, the legal community, academia, and elected officials from Russia, the Baltic countries, the Nordic countries, and the United States. Its goals were to promote regional cooperation, strengthen democracy, and bolster the role of women through the development of prosperous market economies. The Conference drew on the talents and initiative of the business and non-governmental organization communities, as well as governments, to develop and implement practical strategies to encourage the full participation of women in political and economic life. The Conference focused on developing women's potential for economic and political leadership, encouraging entrepreneurship, supporting networking and mentoring activities, encouraging participation in public life, honing learning and leadership skills, and making the best use of technology and the media to enhance the role of women in the region.

The Conference was one of the flagship projects of the Northern European Initiative, in partnership with the Vital Voices Democracy Initiative. In 1998 the government of Iceland proposed hosting the Conference in 1999, in connection with its millennium celebrations and its commitment to democracy and equality for women. Iceland prides itself on being the oldest democratically oriented government in Europe and having the first democratically elected woman President. The government of Iceland funded the Conference, including travel and expenses by the Russian and Baltic participants

**Vital Voices:
Women in
Democracy –
Reykjavik, Iceland,
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Out of the Vital Voices Conferences came many initiatives to promote women in the business and entrepreneurial worlds including a new program to provide credit to small businesses in Russia, with an emphasis on meeting the needs and developing the capacities of women entrepreneurs.

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to Iceland. The Nordic Council of Ministers also contributed financially to the Conference and to follow-up activities.

The Conference relied on an innovative public-private partnership to implement strategies developed by women in the region. Such initiatives include providing internships and training opportunities for women, attracting new investment and credits for business start-ups, honing media skills, combating discrimination and promoting quality through legislative and other means, and increasing non-governmental organization effectiveness.

As a follow-up to this conference, Podesta.com and the US State Department co-hosted a media, communications and leadership-training seminar in May 2000 in Washington, DC. The US State Department also coordinated an business mentoring conference in June 2000 in Estonia which matched women in small business in Russia and the Baltics with successful business women from the US and Nordic countries. The mentoring relationships forged at this conference have continued on-line via a list-serv. A follow-up conference is planned for the June 2001 in Lithuania to assess the results of the Reykjavik conference and progress on issues affecting women's political and economic status. The Icelandic Conference web site is at www.stjr.is/democracy. The Vital Voices Democracy Initiative web site is at www.usinfo.state.gov/vitalvoices.

V. Success Stories

First Lady Hillary Rodham Clinton captured a success story shared during one of the Vital Voices Conferences. The First Lady stated, "I remember one woman from Lithuania who got up and talked about how, when she was first running for office, a famous male doctor told her that he knew quite a lot about women's hormones and could assure her that there was nothing for a woman to do in politics." The woman then went on to tell the First Lady of how she did not accept the doctor's caution and was elected to Parliament. She challenged the fears of her government to guarantee what the First Lady categorizes when she states that, "the vital voices of women must break this silence."

Out of the Vital Voices Conferences came many initiatives to promote women in the business and entrepreneurial worlds. U.S. Deputy Secretary of State Strobe Talbott announced October 8, 1999 that the United States would donate one million dollars to establish a new program to provide credit to small businesses in Russia, with an emphasis on meeting the needs and developing the capacities of women entrepreneurs.

Speaking at the conference “Women and Democracy at the Dawn of the New Millennium” in Reykjavik, Iceland, Talbott said the U.S. donation “is designed to match the generous commitment of the Nordic Investment Bank to similar projects in the region.” He added that the United States and its Nordic partners would soon launch a number of programs to help young professionals -- especially women -- from Estonia, Latvia, Lithuania, and Russia to work in Western companies to learn law, accounting, marketing and banking skills.

Talbott noted that the transition from communism to democracy, from centrally planned economies to free market economies, has been particularly harsh on sectors traditionally employing women, and that women also have been disproportionately affected by increased crime and reduced health care. Finding ways to deal with these problems, he said, “will require sustained, multiple and mutually reinforcing efforts at every level -- from grassroots to global, from village councils to Federal parliaments to international organizations.”

VI. Lessons Learned

In a meeting at the White House during the first Vital Voices Global Exchange in February of 2000 the First Lady met with female leaders and government officials to boost the Vital Voices Initiative. Clinton spoke of her recent retreat with representatives from Russia, Ukraine, Cambodia, and India. Clinton told her guests, “They talked about how their women and girls were being lured away from their countries with the promise of economic opportunity, shipped like drugs by an international crime network and sold into slavery. Others talked about what it’s like to be a destination country, home to sweatshops, prostitution rings, and domestic bondage that steal the freedom and dignity of women and girls.” She went on to say, “What became clear during the dialogue was that this is a global problem, that the U.S. and every country has a role to play.” The Vital Voices Initiative proclaims that no country can forage ahead if its women and girls are left behind.

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The Vital Voices Initiative proclaims that no country can forage ahead if its women and girls are left behind.

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Vital Voices Global Partnership (VVGP) was incorporated as a non-profit organization. VVGP will work in partnership with the US Government's Vital Voices Initiative by building upon this work and developing private sector support for this new dynamic public-private collaboration. VVGP will be officially launched in 2001.

For further information about the Vital Voices Initiative, please contact:

Theresa Loar
Director of the Vital Voices Initiative
U.S. Department of State
2201 C Street, NW
Suite 6934
Washington, DC 20520-7512
Phone: (202) 647-5440
Fax: (202) 647-5337

VII. Next Steps

At the Vital Voices Global Exchange in February 2000, fifteen emerging women leaders from around the world who are leading Vital Voices projects in their countries came together to plan for the future of the Vital Voices Initiative. As a result of that historic gathering, the Vital Voices Global Partnership (VVGP) was incorporated as a non-profit organization. VVGP will work in partnership with the US Government's Vital Voices Initiative by building upon this work and developing private sector support for this new dynamic public-private collaboration. VVGP will be officially launched in 2001. For more information about the Vital Voices Global Partnership visit their website at www.vitalvoices.org or contact:

Alyse Nelson
Director
Vital Voices Global Partnership
1301 Connecticut Ave., NW
Suite 500
Washington, DC 20036
Phone: (202) 452-8850
Fax: (202) 452-8898
Email: alysenelson@vitalvoices.org

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The U.S. Department of the Treasury, Community Development Financial Institutions Fund Program

I. Description of Program

The Community Development Financial Institutions Fund Program (CDFI Fund) was created to address the critical problems of urban, rural and Native American communities that often lack adequate access to capital. The Fund's vision is an America in which all people have access to capital and financial services. The Fund's mission is to promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and by expanding financial service organizations' lending, investment, and services within underserved markets.

The Fund makes investments in Community Development Financial Institutions (CDFIs). Through these investments, the Fund seeks to enhance the capacity of CDFIs to address unmet community development finance needs in distressed communities across the country. CDFIs are private, for-profit or nonprofit financial institutions with community development as their primary mission. They include community development banks, community development credit unions, nonprofit loan funds, microenterprise loan funds, and community development venture capital funds.

The CDFI Fund represents a new direction in community development. The Fund's programs leverage limited public dollars to build the capacity of private sector institutions to finance community development needs, and the programs help forge partnerships between communities and mainstream financial institutions. The Fund's efforts are designed to turn dysfunctional markets into well functioning local economies.

II. Program History

The Community Development Financial Institutions Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. The Fund, a wholly owned government corporation, is administered within the Department of the Treasury. The Fund's vision and its approach represent a true innovation as a Federal initiative.

The Community Development Financial Institutions Fund's (CDFI Fund) vision is an America in which all people have access to capital and financial services.



The Fund's mission is to promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and by expanding financial service organizations' lending, investment, and services within underserved markets.

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The Fund seeks to promote economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs) and through encouraging insured depository institutions to invest in CDFIs and increase lending, investment and services within distressed communities.

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Since 1996, the Fund has invested more than \$427 million in communities throughout the country. In the Fund's most recent round of awards, it provided more than \$123 million to more than 300 financial institutions across the nation – making this the largest funding round in the Fund's history. To date, more than \$1 billion in overall investment has been stimulated by the Fund's awards.

III. Issues Program was Designed to Address

The Fund seeks to promote economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs) and through encouraging insured depository institutions to invest in CDFIs and increase lending, investment and services within distressed communities. The Fund's programs are built on several key principles:

- ◆ Stimulation of private markets is critical for rebuilding economically distressed areas.
- ◆ Building the capacity of community based institutions is critical for providing localities with the tools necessary to serve many underserved communities.
- ◆ An initiative that promotes private sector strategies to achieve public policy goals must be based on performance and maximizing impact.

The Fund has four programs that collectively address these principles: Its two main programs - the Community Development Financial Institutions (CDFI) Program and the Bank Enterprise Award (BEA) Program; and its other initiatives, the Native American Lending Study Program, the Training Program, and the Presidential Awards for Excellence in Microenterprise Development.

Access to capital is an essential ingredient for creating and retaining jobs, developing affordable housing, revitalizing and maintaining neighborhoods, building local economies, and enabling people to realize their hopes and dreams. There are significant capital gaps in distressed communities, and this market niche is not often recognized or well understood. This makes it difficult for conventional sources of capital to effectively serve low-income people.

Despite the great strides that have been made as a result of a strengthened Community Reinvestment Act in promoting access to Credit in underserved neighborhoods, market imperfections still keep capital out of these communities. Today, low income communities are faced with many challenges -- such as moving families from welfare to work, providing basic financial literacy skills, and training unskilled

workers to become job ready. Credit in underserved neighborhoods, market imperfections still keep capital out of these communities. Today, low income communities are faced with many challenges -- such as moving families from welfare to work, providing basic financial literacy skills, and training unskilled workers to become job ready.

IV. Successful Elements of Program

The Fund's mission is to promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding banks' and thrifts' lending, investment, and services within underserved markets.

Currently, the CDFI Fund pursues its mission primarily through six initiatives: the CDFI Program, which includes the Core, Technical Assistance and Intermediary Components; the Bank Enterprise Award (BEA) Program; the Training Program; the Presidential Awards for Excellence in Microenterprise Development; the Native American Lending Study and Action Plan; and our Policy and Research Programs. The CDFI Fund also administers a Certification Program for community development financial institutions.

Community Development Financial Institutions Program

The Community Development Financial Institutions (CDFI) Program uses limited Federal resources to invest in and build the capacity of private, for-profit and non-profit financial institutions to provide capital and services to underserved people and communities. The Fund invests in CDFIs using flexible tools such as equity investments, loans, grants, and deposits, depending upon market and institutional needs.

These needs are demonstrated by the applicant CDFI in its business plan and in its ability to raise comparable non-Federal matching funds, both requirements of the application process. The Fund evaluates each applicant CDFI in a manner similar to a private investor determining the investment-worthiness of an institution, including assessing financial performance, management capacity, and market analysis. Thus, the Fund is able to effectively assist these organizations to enhance their ability to meet community needs, develop, and grow.

The Fund's mission is to promote access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding banks' and thrifts' lending, investment, and services within underserved markets.



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The Bank Enterprise Award (BEA) Program recognizes the key role played by traditional financial institutions in community development lending and investing. It provides incentives for these regulated banks and thrifts to invest in CDFIs and to increase their lending and provision of financial services in distressed communities. The BEA Program supports the community reinvestment efforts of these financial institutions.

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The CDFI Program has three separate components:

- ◆ Core Component - is the Fund's main program under which CDFIs, or entities proposing to become CDFIs, may apply for financial and technical assistance.
- ◆ Intermediary Component - is created specifically for intermediaries who focus primarily on the financing of other CDFIs.
- ◆ Technical Assistance Component - was designed to better meet the unmet capacity needs of CDFIs, or entities proposing to become CDFIs, who have significant potential for increasing their community development impact. It provides resources to CDFIs that are typically used to gain expertise through the use of consultants, train staff or buy technology for more efficient and effective operations.

In addition to the CDFI funding programs, the Fund administers a CDFI Certification Program. The Fund will certify an organization as a CDFI if the organization meets each of six eligibility tests set forth in the CDFI Program regulations and certification application. These tests relate to the organization's primary mission of community development, target market, financing activities, provision of development services (training and technical assistance activities), accountability to residents of its target market(s), and status as a non-governmental entity. CDFI certification increases the credibility of community lending organizations in the eyes of potential funders and investors. An organization that is certified is better able to attract private sector investments from local banks, corporations, foundations, and individuals. The Fund has certified over 400 organizations in 49 states, plus the District of Columbia, Puerto Rico, and the Virgin Islands. An organization may apply for CDFI certification at any time.

Bank Enterprise Award Program

The Bank Enterprise Award (BEA) Program recognizes the key role played by traditional financial institutions in community development lending and investing. It provides incentives for these regulated banks and thrifts to invest in CDFIs and to increase their lending and provision of financial services in distressed communities. The BEA Program supports the community reinvestment efforts of these financial institutions.

Through the first five rounds of the BEA Program, the Fund has awarded \$134.3 million to banks and thrifts. This \$134.3 million actually reflects investments in CDFIs and underserved communities of \$2.97 billion, over 20 times the amount of the Fund's investment.

To date, banks and thrifts receiving awards have provided \$471.9 million in equity investments and financial support directly to CDFIs, and \$2.53 billion to distressed communities in the form of direct loans, investments and services.

Training Program

The Training Program is an element of the Fund's efforts to build the organizational and technical capacity of community development organizations to respond to the needs of their Target Markets for credit and investment. Through the Training Program the Fund has contracted with four training providers to design and deliver curriculums tailored to the capacity building needs of CDFIs. The Fund has sought to minimize issues related to accessing of training, to that end some of the training provided under contract will be delivered in a web-based format. Tasking advantage of distance learning methodologies reduces the cost and time involved in receiving training. Training will be provided through 2002 under the training contracts in place. To date the Fund has invested \$1.25 million in training for CDFIs and other community development lenders. The Fund anticipates issuing additional contracts in 2001.

The Training Program, which provides resources to the suppliers of training, is a complement to the SECA (formerly TA) Component of the CDFI Program, which provides resources in response to the demand for training.

Presidential Awards for Excellence in Microenterprise Development

The CDFI Fund designed and implemented in 1996 a non-monetary award program to bring wider attention to the important role and the successes of domestic microenterprise development in enhancing the economic opportunities of disadvantaged individuals across America. Through the first two rounds, a total of 13 organizations have been recognized for their work assisting individuals to become successful entrepreneurs. The Presidential Awards were created as one of the commitments made by the United States at the United Nations Fourth World Conference on Women, held in Beijing, China in September 1995.

Native American Lending Study and Action Plan

The CDFI Fund is conducting a study on lending and investment practices on Indian reservations and other lands held in trust by the United States. Input is being solicited through a series of regional workshops throughout the United States from tribal leaders, economic and financial planners, bankers, Federal agencies, secondary market organizations and state agencies. The participants in these workshops

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The Community Development Financial Institutions Fund is a wholly owned government corporation within the U.S. Department of the Treasury. Its vision: an America in which all people have fair and equal access to capital and financial services. Its mission: promote access to capital and local economic growth by directly investing in and assisting in community development financial institutions and expanding financial service organizations' lending, investment, and services within underserved markets.

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are identifying barriers to lending and investment on Native American lands; describing the impacts of the barriers; and developing strategies and action plans for eliminating the barriers. The findings will assist the CDFI Fund in developing a report to the President and Congress that will include policy, statutory and regulatory recommendations designed to increase private investments on Native American lands.

V. Success Stories

The Fund's investments are making a difference in communities. For example: 1996 CDFI Program Awardee, Cascadia Revolving Fund, made a loan to Nancy Stratton of Port Haddock, WA to open a day care center in her home. Nancy knew that her previous credit problems and lack of business experience would prevent her from obtaining financing through traditional sources. Cascadia worked with Nancy to refine her business plan and make a loan to help her start a now successful business.

A 1996 BEA Program Awardee, Central Bank of Kansas City, was awarded \$99,869 for increasing its deposit-taking activities and consumer and commercial real estate, housing, and business loans in distressed neighborhoods. During the first six months of 1996, this bank provided more than \$8.3 million in loans and services. In addition to facilitating neighborhood redevelopment through its single- and multi-family housing activities, the bank made a significant loan to help a major manufacturer and employer remain in the community.

VI. Lessons Learned

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Although the program is not designed exclusively for women, the Fund provides financial and technical assistance to many organizations owned or operated by women and organizations that serve women and other people lacking adequate access to capital, credit, and other financial services.

For more information about the Community Development Financial Institutions Fund, please contact:

Department of the Treasury
CDFI Fund
601 13th Street, NW
Suite 200-South
Washington, DC 20005
Phone: (202) 622-8662
Fax: (202) 622-7754
Email: cdfihelp@cdfi.treas.gov
Web site: www.treas.gov/cdfi

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Export-Import Bank of the U.S., Minority & Women-Owned Business Outreach Initiative

I. Description of Program

Export-Import (Ex-Im) Bank is an independent Federal government agency that finances the export of U.S. goods or services when private sector financing is unavailable. The Bank's mission is to sustain and increase U.S. jobs through exporting. Last year, the Bank implemented a Minority & Women-Owned Business Outreach Initiative to increase awareness of Ex-Im Bank's export financing opportunities for minority & women-owned businesses. The Initiative's vision is to make every minority & women-owned business aware of the Bank and its services, and to increase the number of minority & women owned businesses that export U.S. goods and services by providing financing support for their export sales.

Benefits of Export Credit Insurance

The ability to offer financing or credit terms is often the most critical element in competing for, and winning, export sales. Increasingly, foreign buyers expect the U.S. supplier to offer "open account" or unsecured credit terms rather than pay by letters of credit which may be expensive or cash in advance. Using the Ex-Im Bank to insure open account payment terms will often be *the most attractive payment option* for foreign customers. Short-term interest rates are quite high in many foreign markets so the ability to offer customers U.S. dollar credit in interest rates of single digits can mean a dramatic increase in sales to these customers. These customers are now in a position to pass on this attractive credit to *their* customers to increase sales.

With Ex-Im Bank insuring the credit, the U.S. exporters' banks typically charge interest rates ranging from 1.5 percent -2.5 percent over the London Interbank Offered Rate to the U.S. exporter to finance the credit. The "LIBOR" is currently 7.00 percent so the financing that can be offered to the customer is in the range of 8.50-9.50 percent. Compare these rates to those in Mexico where interest rates range from 30-40 percent. Open account credit is also much more attractive to foreign customers than requiring payment by letter of credit. In addition to the high fees charged by foreign customers' banks to open a letter of credit (L/C), some banks in emerging markets such as Venezuela also require buyers to put up more than 100 percent collateral to open the L/C. some banks in emerging markets such as Venezuela also require buyers to put up more than 100 percent collateral to open the L/C.

The Export-Import Bank's Minority & Women-Owned Business Outreach Initiative mission is to make every minority & women-owned business aware of the Bank and its services, and to increase the number of minority & women owned businesses that export U.S. goods and services by providing financing support for their export sales.

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Although the Initiative is still in its infancy (launched in October 1999), the results to date are impressive: the number of minority & women-owned businesses using export credit insurance has increased from 60 to 71 a percentage increase of 18 percent and working capital guarantees provided to women-owned businesses increased to \$14.5 million from \$1.1 million.



Currently, the Initiative is focusing its efforts using four outreach strategies: Association and Organization Partnerships; Bank Sponsored Seminars; Publications and Direct Mail.

United States Case Study : Successful public and private sector initiatives fostering the growth of women's business ownership.

It is important to note that Ex-Im Bank has no minimum transaction size.

II. Program History

Congress has mandated that Ex-Im Bank increase its outreach efforts to minority and women-owned businesses. As a direct response from this mandate, Ex-Im Bank launched the Initiative in October 1999. Although the Initiative is still in its infancy, the results to date are impressive: the number of minority & women-owned businesses using export credit insurance has increased from 60 to 71 a percentage increase of 18 percent and working capital guarantees provided to women-owned businesses increased to \$14.5 million from \$1.1 million.

III. Issues Program was Designed to Address

The Initiative seeks to provide minority & women-owned exporters, a traditional underserved segment of the business community, similar export financing support enjoyed by other U.S. exporters. The initial focus was building awareness within the minority and women-owned business community because the Bank recognized that women-owned business did not have access to sources of export capital and that their transactions were often too small to interest commercial lenders.

IV. Successful Elements of the Program

The Initiative's mission is to increase the number of minority & women owned businesses that export U.S. goods and services by providing export credit insurance for exporters and guarantees to lenders that finance export sales. Currently, the Initiative is focusing its efforts using four outreach strategies:

- ◆ Association/Organization Partnerships;
- ◆ Bank Sponsored Seminars;
- ◆ Publications, and
- ◆ Direct Mail.

Association/Organization Partnerships

Although the Initiative has limited resources, the Bank maximizes its efforts through partnerships with trade and business associations by offering their members information essential to competing successfully in the global marketplace. In addition, our partnerships with bank associations have increased the number of financial institutions that are providing export-financing services to help minority & women-owned businesses.

As part of the Initiative, the Bank offers seminars to minority & women-owned businesses offering a wealth of information concerning how to find a foreign buyer and how to finance your foreign buyer.

The Bank publishes a quarterly awareness building newsletter directed at minority & women-owned businesses. The newsletter identifies any changes that have occurred within the Bank and the Initiative and includes information on the type of transactions that minority & women-owned business have successfully completed.

V. Success Stories

The Initiative is making a difference within the minority & women-owned business communities. For example: **Maria de Lourdes Sobrino, President & CEO, LuLu's Dessert and Fancy Fruit** was able to win a contract with **Nueva Wal*Mart De Mexico, S.R.L. De C.V.** by offering her buyer credit terms. Maria has an insurance policy with Export-Import Bank, which covers her payment from the buyer against default.

Maria stated, "she can sleep comfortable at night knowing that Ex-Im Bank is taking the risk of non-payment and not her company."

Wildflower Inc. is a small women-owned company in Santa Fe, New Mexico. Wildflower exports telecommunication equipment, corrugated products and medical supplies. Wildflower uses **short term insurance** to offer "open account" credit terms to foreign buyers. They have been able to expand sales in countries across the globe including, Mexico, Thailand, Greece and Turkey. **Kimberly DeCastro, President & CEO, Wildflower Inc.** states, "When my company started exporting, we simply described ourselves as a foreign trade company. Ex-Im Bank's Export Credit Insurance recently enabled us to win a \$150,000 sale to a buyer in Israel. Our ability to finance the foreign buyer is the tool that most often delivers us to success."

I. Lessons Learned

Although this Initiative is not designed exclusively for women, the Initiative provides financial and technical assistance to many businesses owned or operated by women and organizations that serve women that are interested in the export market. The Initiative has been in existence for one year and is fast evolving into a more comprehensive effort to fulfill the Bank's underserved market mandate.

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For more information about the Export-Import Bank Minority & Women-Owned Business Outreach Initiative, contact :

Export-Import Bank of the U.S.
811 Vermont Ave, NW
Suite 927
Washington, DC 20571
Phone: (202) 565-3900
Fax: (202) 565-3931
Email: bdg@exim.gov
Web site: www.exim.gov

The Export-Import (Ex-Im) Bank is an independent Federal government agency that finances the export of U.S. goods or services when private sector financing is unavailable. The Bank's mission is to sustain and increase U.S. jobs through exporting.

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The National Women's Business Council

I. Description of Program

The National Women's Business Council (NWBC), an advisory panel of the United States government, was created by the United States Congress in 1988. The Council must report to Congress annually and its charter is reviewed every three years. Congress made modifications to the charter in 1994, 1997 and 2000. The Council was created to serve as an independent source of advice and counsel to the President, the Congress, and the Interagency Committee on Women's Business Enterprise, its public sector counterpart in addressing issues of importance to women business owners. In the twelve years since its inception, the Council has remained focused on addressing the challenges and opportunities faced by women business owners and communicating to our elected and appointed officials the policy agenda, perspectives, recommendations and realities faced by women business owners. The Council has targeted its efforts on increasing access to markets, capital and business development assistance for women-owned businesses as well as raising the visibility of this most dynamic market segment.

II. Program History

The Women's Business Ownership Act of 1988 [PL 100-533], which established the National Women's Business Council, was created by Congress and signed into law by President Ronald Reagan on October 25, 1988. This landmark legislation was the product of a series of hearings, initiated by women business owners and presided over by the Chairman of the U.S. House Small Business Committee earlier that year. The hearings, the proceedings and findings of which were integrated into a document entitled "NEW REALITIES, The Rise of Women Entrepreneurs," told the story of women guided by entrepreneurial spirit, but frustrated by cultural bias and stereotypes that restricted their ability to compete fairly and equally with their male counterparts. Testimony given by women business owners during the hearings underscored the need for greater recognition of women business owners through a more accurate profile of their contributions to our nation's economy and through the creation of an independent entity within the Federal government that would advocate for women's full participation in the economy.

With the passage of this legislation, the National Women's Business Council was established and charged with working with Federal agencies, women entrepreneurs and women's business organizations to

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The members of the Council are prominent women business owners and leaders of business organizations nominated by members of Congress and appointed by the President.



The mission of the Council is to promote bold initiatives, policies and programs designed to support women's business enterprises at all stages of development in the public and private sector marketplaces.

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assess the growth of women's entrepreneurship nationwide and to identify the barriers that remain. The council was directed to report its findings to the President and to the Congress annually with recommendations to remedy inequities and to remove discriminatory policies and practices.

Since its inception, Congress has reviewed the Council's charter several times and has acted to restructure, improve and expand the membership and functions of the National Women's Business Council to assume an even greater advocacy role on behalf of women entrepreneurs. Together with its public sector counterpart, the Interagency Committee on Women's Business Enterprise, the interests of the women's business owner constituency too long ignored are well represented.

The members of the Council are prominent women business owners and leaders of business organizations nominated by members of Congress and appointed by the President. Its public sector counterpart, the Interagency Committee on Women's Business Enterprise, is comprised of senior officials from 9 Cabinet level Departments and agencies. The Chair, appointed by the President, is a senior White House official.

III. Issues Program was Designed to Address

The mission of the Council is to promote bold initiatives, policies and programs designed to support women's business enterprises at all stages of development in the public and private sector marketplaces. The Council and the Interagency Committee on Women's Business Enterprise have effectively established a public/private sector partnership to promote an economic environment conducive to business growth and development for women-owned businesses and have focused on four key areas of program and policy development:

- ◆ Expanding public and private market opportunities for women-owned business;
- ◆ Expanding the financial resources available to women's business owners and ensuring access to them;
- ◆ Promoting leadership initiatives, research and data collection to create a comprehensive profile of the women's business sector and public awareness of this profile;
- ◆ Strengthening the training, technical assistance and networking infrastructure that serves the women's business sector.

IV. Successful Elements of Program

Access to Markets

Beginning in the late 1970s, several official inquiries were made into the challenges faced by women business owners seeking to sell goods and services to the Federal government. In 1985, it was estimated that \$200 billion was spent annually by the government for goods and services but that less than 1 percentage of those contracts went to women owned businesses. When the Council was formed, developing initiatives that would increase women's access to contracts was a top priority. The Council's recommendations led to the following actions:

- ◆ 1994: the passage of a **Federal government-wide, 5 percent contracting goal for women.**
- ◆ 1995: public hearing hosted by the Council led to establishment of two non-government women's business certification organizations.
- ◆ 1996: Summit hosted by Council established consensus policy agenda with identified access to market opportunities as top priority.
- ◆ 1998: Second Summit hosted by Council, identified existing model programs and successful outreach initiatives that have increased women's participation in these markets; and envisioned an infrastructure that will enhance the competitiveness and viability of women as contractors and suppliers.
- ◆ 1998: Council prepared report analyzing 11 years of government statistics detailing contract awards to women business owners.
- ◆ 1999: The NWBC and the Leadership Council of the Women's Economic Summit presented to the President and Congress the Master Plan of Summit '98. The Master Plan outlined "actions that make a difference" and established a blueprint for public and private sector strategies to accelerate women's access to the public and private markets.
- ◆ 1999: NWBC released the *NWBC Best Practices Guide: Contracting with Women* which profiles model programs from the public (Federal, state and local) and private sectors that have been successful in increasing contract awards to women-owned firms. The Council found that the most successful programs incorporate a combination of the following elements: (1) Commitment from the top, (2) Focused outreach, (3) Targeted solicitation, (4) Mentoring, (5) Certification, (6) Accountability, and (7) Community Partnership.
- ◆ Spring 2000: Council organized a coalition of women's business advocates and organizations to work with the White House to outline a substantive program designed to increase Federal

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In 1994, the United States Congress supported the Council's recommendation and passed a 5 percent Federal contracting goal for women-owned businesses.

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In 1992, the Council's annual report reported that access to capital was the "foremost barrier" to successfully launching and growing women's businesses. That year in collaboration with the Federal Reserve, the Council hosted the first of a series of access to capital Expert Policy Workshops.



The dramatic increase of women in the workforce and the heightened awareness of women's vital contribution to the marketplace effected fundamental changes in financial institutions' lending practices.

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contracting opportunities for women-owned businesses. On May 23, 2000, President Clinton issued Executive Order No. 13157 that underscores the Administration's commitment to meeting the 5 percent women's procurement goal and outlines strategies for increasing competitive contracting opportunities.

- ◆ Fall 2000: The Council and the IACWBE, teamed up to develop WomenBiz.gov, the official web site for women-owned businesses selling to the government. WomenBiz.gov streamlines access to the contracting marketplace by providing interconnectivity among the 1,000s of .gov sites that offer information on and access to Federal procurement opportunities.
- ◆ Winter 2000: Council releases report detailing the experiences and suggestions of over 5000 of the most successful women contractors.

Access to Capital

In 1992, the Council's annual report reported that access to capital was the "foremost barrier" to successfully launching and growing women's businesses. That year in collaboration with the Federal Reserve, the Council hosted the first of a series of access to capital Expert Policy Workshops. The Council invited lenders, investors, government officials, and woman business owners to share their views and ideas in an open forum. Subsequent workshops yielded a wealth of insight into the changing world of financial institutions and business development.

In the eight years since the Council's Federal Reserve project was initiated, the United States has experienced one of the greatest periods of economic expansion in history. And the surge in women's business ownership was a key factor in stimulating and sustaining high levels of growth in the economy. The dramatic increase of women in the workforce and the heightened awareness of women's vital contribution to the marketplace effected fundamental changes in financial institutions' lending practices. We are now seeing substantial evidence of greater access to credit for women-owned firms.

Since 1992, the Small Business Administration has nearly tripled both the number and dollar value of loans to women and their women's micro-enterprise lending market is also thriving. Between October 1, 2000 and June 30, 2000, over 600 microloans (loans in amounts up to \$25,000) worth about \$6.6 million were made to women business owners. Yet, even with these new initiatives and lending programs designed to close capital gaps, lending to women business owners has not kept pace with their demand for capital nor matched their rate of growth in numbers and size.

According to the National Foundation for Women Business Owners, the number of women-owned businesses in the United States doubled since 1988 and, representing a measure of maturity, their businesses increased employment fourfold and revenues fivefold. While recent reports show that access to credit has eased considerably as the supply of capital increases, accessing both debt and equity capital is one of the most significant unmet needs of women business owners.

Just as landing a bank loan was the answer to the dreams of women hoping to start their own business twenty years ago, the equity markets are now the new frontier for women entrepreneurs seeking to launch and grow high-growth potential businesses. Since 1995, investments in high-growth potential businesses have increased dramatically. According to Venture One, venture capitalists invested over \$78 billion in young companies during that time period. Corresponding investments in women-led businesses have not been nearly as impressive. In 1995, investments in companies that had a woman CEO represented less than 2 percent of all venture capital investments, totaling \$210 million. The most recent annual statistics (1999) showed that women-led firms received 6 percent of the investment dollars - \$1.9 billion out of \$37 billion invested.

While investments in women-led companies have risen slowly over the last few years, the trends are very promising. Venture One estimates that 6 percent of companies that received venture capital during the first half of 2000 had a woman CEO. The money raised by these companies is almost double that raised by women led firms in all of 1999. A closer look at the Venture One numbers reveals the potential for investments in women-led firms to spike in the next few years. Between 1998 and 1999, investments in companies with at least one woman on the senior management team jumped from 21 percent to 41 percent. With the next generation of women CEOs expected to come from these management teams, it is logical to conclude that a greater percentage of high-growth businesses will be women-led in the near future...IF they have the access to the capital.

The Council has hosted the following summits, forums, and workshops and released reports, findings and recommendations in an effort to accelerate women's access to debt and equity capital.

- ◆ 1996: Council hosted Summit '96 which identified access to capital as number one policy agenda item.
- ◆ 1997: Council hosted Expert Policy Workshops in ten U.S. cities. The findings were released in a report entitled *Growing Women's Businesses*. The workshops, attended by leading bankers,

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***Economic Prosperity, Women and Access to Credit* (NWBC and the Milken Institute), examines best practices initiated by government, non-governmental and financial institutions to address the demand for credit by women-owned businesses. A number of innovative recommendations that would channel increased capital flow to the smaller growth-oriented businesses are also included in the report.**

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investors, regulators and women business owners, examined barriers and obstacles created by legislation and regulation and made recommendations to Congress and the President, many of which have been successfully implemented. Recommendations included: development of a small business master plan; creation of incentives to encourage small business investments; effectively link “lending and learning;” recognition of service-based businesses; and redefine work to value self-employment.

- ◆ 1998: Council hosted Summit '98 which set forth action items to accomplish access to capital policy recommendations.
- ◆ 1999: Council and the Milken Institute convened a roundtable of over 50 experts to discuss the lending landscape in which business is now conducted and to identify model programs that have been successful in increasing access to capital for women-owned businesses in the non-collateral based services, retail and technology sectors.
- ◆ 2000: Council released *Economic Prosperity, Women and Access to Credit*. This report examines best practices initiated by government, non-governmental and financial institutions to address the demand for credit by women-owned businesses. A number of innovative recommendations that would channel increased capital flow to the smaller growth-oriented businesses are also included in the report.
- ◆ 2000: Council, in collaboration with leading entrepreneurial and business organizations, key technology partners and sponsors, launched a series of venture capital forums - ***SPRINGBOARD 2000*** - showcasing women entrepreneurs in technology and life science companies. These forums are designed to increase equity investments in women-led firms and facilitate new deal flow to investors.

Promoting Research and Developing the Statistical Profile

To address the needs of this dynamic business sector, in 1995 the Council and the Interagency Committee on Women's Business Enterprise prepared a catalog of Federal programs and initiatives created to address the business development needs of women business owners. The findings were released to the President, the Congress and the public along with the results of the 1992 U.S. Census Bureau's Survey of Women-Owned Business Enterprises (SWOBE). This Survey is conducted every five years as a part of the Bureau's Economic Census and is the only source of national data on selected economic, demographic, and sociological characteristics among all businesses. Policymaking officials of the Federal, state and local government rely on this data to track economic activity and direct economic resources and program assistance to businesses.

These data are also the foundation for research conducted by non-governmental organizations and academic institutions whose work has led to a greater awareness of the contributions and market potential of women. The impact of this research has been significant for women owners, leading to the establishment of targeted lending and diversified market programs aimed at the newest entrants into the marketplace: women business owners.

- ◆ 1995: Council hosted first research agenda meeting- released a report entitled *National Research Agenda for Women's Entrepreneurship* which identified topics that warranted new or further research on women's business enterprise.
- ◆ 1996: Council and Interagency Committee issued 1992 census survey results.
- ◆ 1997: Council recommends to OECD that an international data collection effort be undertaken to mirror the statistics available on women business owners through the US Bureau of the Census.
- ◆ 1997: Council works with Congress and the Small Business Administration to ensure annual funding for the Census SWOB survey.
- ◆ 1998: Congress provides Council with budget to support and conduct research. These funds have served as a catalyst for attracting funding from other sources and institutions to support research on women business ownership.
- ◆ 2000: Council supports on going research effort into women's entrepreneurship conducted by consortium of women professors - the Diana Group - from several prominent academic institutions.

Leadership and Advocacy

The mission of the National Women's Business Council is to represent the interests of women business owners before the President and Congress and to serve as a strong voice within the government, advocating for the views and perspectives of this constituency. The Council has been on the forefront of creating coalitions and encouraging private sector initiatives that would advance the interests of women business owners.

- ◆ 1996, Council hosted the first-ever Women's Economic Summit to examine the critical issues facing women business owners. The event brought together hundreds of experts, leaders and advocates in the women's business community and produced an eight-point agenda that would inform future policies and initiatives.

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- ◆ 1998: Council hosted its second women's economic forum, Summit'98 and, together with the Summit's leadership council, released a Master Plan of actions to accelerate and propel the growth of women-owned businesses into the 21st century. The plan, which was presented to Congress and the President in March 1999, serves as the blueprint for building the infrastructure to support women in taking their businesses to the next level.
- ◆ 1999: Council partnered with several women's business organizations and corporations to launch the first *Entrepreneurial Action Day: It's Our Business on June 3, 1999*. Entrepreneurial Action Day, a leadership initiative conceived at Summit '98, involved a series of coordinated events in state capitals and cities across the U.S. highlighting the impact of women-owned businesses on state and national economies and supporting investments in women-owned-businesses.
- ◆ 2000: The NWBC launched a State Economic Networks initiative that addresses ways to maximize the involvement of women business leaders in state and local public and private sector organizations. The NWBC has a plan to work with business, elected and appointed leaders in each state to develop and implement programs that will work to create an infrastructure to support women's business enterprise and provide women business owners with a voice in the development of economy policy decisions.

V. Success Stories

ACCESS TO MARKETS: Presidential Executive Order 13157 (May 23, 2000)

The United States government spends over \$200 billion dollars annually for good services making it the largest purchaser in the world. And while women's business ownership is the fastest growing small business market sector, women face inherent obstacles accessing the procurement market and consequently are awarded the smallest percentage of government contracts annually. Since the inception of the Council, our greatest challenge has been to break down the barriers that exist for women-owned businesses in the procurement market and open the doors of opportunity.

Certain small business sectors have enjoyed great participation in the procurement market as a result of established Federal programs providing contract set-asides, certification, specialized training, and bid price adjustments. Participation in these programs are governed by Federal legislation allowing for certain ethnic groups to be presumed "socially and economically disadvantaged" for the purposes of participating in these contracting programs. While women-owned

businesses are not excluded from these programs, they are not considered a presumed group and consequently are subject to a rigorous process of proving socially and economic disadvantaged business status.

In 1999, the Council was asked by several of the nation's leading organizations representing women business owners to convene a discussion about increasing access to contracting opportunities and develop solutions. This discussion led to the filing of a legal petition in September 1999 with the Small Business Administration asking the agency administrator to grant women-owned businesses the "disadvantaged" status needed to freely participate in contract assistance programs.

The Small Business Administration looked to the Council to identify recommendations based on the petition and provide solutions that would satisfy all parties involved. One such recommendation was an official action from the President reaffirming the importance of increased access for women to procurement opportunities. This recommendation, supported by the national women's organizations that filed the legal petition was presented to the Interagency Committee on Women's Business Enterprise (IACWBE) and well received as a much needed action.

Over the course of three months, the Council worked with the Administration, members of the IACWBE and the women's organizations to develop solutions for increased access to contracts. Additionally, we challenged all parties involved to advocate for leveling the playing field for women's business ownership in the contracting arena.

On May 23, 2000, President Clinton signed Executive Order 13157 that called for all Federal departments and agencies to establish a participation goal of 5 percent for all prime contracts and 5 percent for all subcontract awards to women-owned businesses. It set forth a number of new initiatives to be taken by the Small Business Administration including establishing an Office of Women's Contracting Assistance. The Executive Order also called for the implementation of a "remedial" action plan by those Federal departments or agencies that fail to meet the 5 percent goal.

This Executive Order is a milestone in the history of women's business ownership in the United States. For the first time ever, a President has acknowledged that women-business owners are integral to the Federal procurement process and that increased access to opportunities are necessary. Four months have passed

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The Council is the host of a series of venture forums -- Springboard 2000 -- showcasing women who lead high technology or life sciences businesses and making valuable connections for them with investors. Forum presenters are provided extensive coaching by investors, lawyers and accountants before presenting their businesses to an audience of several hundred investors. One thousand women applied for a total of 100 presenter slots at the three forums held in 2000. To date, Springboard 2000 presenters have raised over \$250 million.

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since the Executive Order was signed and already results have been achieved. The Small Business Administration has established its Office of Federal Contracting Assistance for Women-Owned Businesses and a new internet web site, WomenBiz.gov, was launched to serve as a comprehensive source of information on and access to contracting opportunities for women. Additionally, women business owners are calling for similar administrative actions to be issued by their state and local leaders. Armed with the Executive Order, women's business organizations are at the doors of department and agency procurement officials requesting that governors and mayors sign orders to underscore their support for assistance for women in accessing local contracting opportunities.

ACCESS TO CAPITAL: Springboard 2000: Women's Venture Capital Forums

The equity markets are the new frontier for women entrepreneurs seeking to launch high growth businesses. Success is dependent upon not only what you know but who you know and your ability to interest investors in your business. The Council is the host of a series of venture forums -- Springboard 2000 -- showcasing women who lead high technology or life sciences businesses and making valuable connections for them with investors. Forum presenters are provided extensive coaching by investors, lawyers and accountants before presenting their businesses to an audience of several hundred investors. One thousand women applied for a total of 100 presenter slots at the three forums held in 2000. To date, Springboard 2000 presenters have raised over \$250 million.

The hallmark of these forums is the platform to enhance visibility for these companies as well as the connections made during the coaching process. Companies selected to present at a Springboard 2000 forum participate in an intensive six-week coaching program. The program is launched at an Entrepreneur Bootcamp at which time the presenters are provided business development expertise unique to high growth enterprises. Presenters are assigned coaches selected from the community who work with the entrepreneur to refine their presentation and make valuable business connections, in some cases even before they make their presentations at the forum.

Many Springboard 2000 presenters make key connections with investors and other business development specialists who not only help them prepare for their presentations but may also become investors or lead the business to the investors. Nancy Curtis, CEO of Infoseer, was fortunate to make those valuable connections prior to the forum enabling her to quickly secure the funding she needed to build her company. Springboard 2000 forums have also provided

presenters with an outstanding opportunity for the visibility so important to a company just starting out. Laura Henderson, CEO of LevelEdge, became the subject of several major media stories right after the forum, which triggered the interest of over 70 investors who called to ask to meet with her. Ultimately, she received double the amount of funding she had originally sought.

VI. Lessons Learned

More than any other arena today, business ownership allows women to thrive, both financially, and as leaders and decision-makers. Entrepreneurial women have proven time and again that women's achievements have no boundaries. Indeed, business ownership is the one economic endeavor that can be a great equalizer for women as innovators, job creators and wealth builders.

As the old barriers and stereotypes fall away, the challenges now facing women business owners are more ephemeral in scope. Having unlocked the gates of opportunity, women-owned firms still generate only 18 percent of all small-business gross receipts, and they are dramatically underrepresented in the nation's two most lucrative markets: government/corporate purchasing and the equity markets. While access to capital for a women business owner has improved, the assets of women-led service and technology businesses are still undervalued. Breaking into the exclusive networks of equity and venture capital investors and the lucrative public and private sector contracting marketplaces is essential to building fast-growth companies. Women are still sorely underrepresented in public offerings and on the stock exchanges; and they still receive fewer and smaller contracts than their male counterparts.

The Council envisions playing a continuing and integral role in promoting greater opportunities for women-owned businesses in the marketplace for private capital, contracts, business development training, and leadership positions.

In its capacity as advisor to the President and Congress, the Council will play a continuing and integral role in promoting greater opportunities for women-owned businesses in the marketplace for private capital, contracts, business development training, and leadership positions. The Council envisions its role as:

- ◆ Advocate for the vision, priorities and interests of women business owners. The Council will advocate on behalf of the women's business sector for the adoption and implementation of programs designed to benefit women-owned businesses both in

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The women's business community has emerged as a powerful constituency with a unified goal: to participate in the new economy and build a stronger, healthier economy for all Americans by accelerating the growth and stability of women's businesses. The Council will continue to guide this change by promoting bold initiatives that foster the growth of women's business ownership.

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the public and private sectors.

- ◆ Facilitator for the active participation of women business owners in the development and implementation of their government's economic development policies and programs
- ◆ Source and one of the principal purveyors of information about the growth and development of women-owned business and the government policies that affect them. The Council will expand its historic role by promoting greater gender identification in Federal research and reports and facilitating implementation of the research projects identified in the National Research Agenda for Women's Entrepreneurship.
- ◆ Investor in the development of an infrastructure that fosters the growth and development of women's business enterprise. In addition to building the nationwide network of women business leaders and advocates, the Council will invest in model programs that promote entrepreneurial skills development, economic self-sufficiency through self-employment, access to capital and credit, and other innovations and initiatives that support women's economic development.

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For further information about the National Women's Business Council, please contact:

NWBC
409 Third Street, SW
Suite 210
Washington, DC 20024
Phone: 202-205-3850
Fax: 202-205-6825
Web site: www.nwbc.org

The U.S. Small Business Administration, New Markets Initiative

I. Description of Program

In 1997, the U.S. Small Business Administration (SBA) launched its New Markets Initiative in an effort to increase access to its programs and services to an increasingly diverse small business community. SBA recognizes that the face of small business is changing. Minority-owned and women-owned firms are growing faster than all other firms. The Census Bureau found that the number of minority-owned firms grew at a rate of 62 percent while all firms grew only 26 percent over the 1987-1992 period. Women-owned firms grew at a rate of 43 percent. These minority- and women-owned firms represent new, emerging markets for SBA, yet statistics show that gaps exist in the distribution of business ownership. African Americans, for example, comprise 12.6 percent of the population but represent only 3.6 percent of business ownership. Women own approximately 34 percent of all businesses but comprise over half of the general population.

Additionally, there are small businesses located in low- and moderate-income (LMI) rural and urban areas that are not meeting their full potential. SBA defines all of these prospective customers – or New Markets – as minority-, women- and veteran-owned businesses, businesses in rural and inner city communities, including HUBZones, and newer, smaller businesses. These New Markets reflect the changing face of small business in the 21st century, and will remain a focal point of SBA outreach.

SBA's New Markets Initiative is part of the Clinton-Gore Administration's New Markets Initiative, a sweeping public/private partnership designed to boost business opportunities in rural and inner city communities that are LMI areas. The Clinton-Gore New Markets Initiative focuses existing and proposed Federal programs, including SBA's, on spurring economic growth in these geographical areas through proposed tax cuts, venture capital companies, technical assistance and mentoring programs.

II. Issues Program was Designed to Address

America is experiencing the longest peacetime economic expansion in history, marked by record low unemployment rates and tremendous business growth. Yet there are still pockets of the country that have been left behind, particularly inner city and rural areas. In addition,

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The New Markets Initiative was conceived and designed to reach out to segments of the business population that have experienced barriers in the marketplace yet possess great untapped potential.



New Markets Venture Capital Companies (NMVCs) will operate in a manner similar to Small Business Investment Companies, however, the NMVCs will combine equity venture capital financing and technical assistance to smaller businesses located in low- and moderate-income areas.

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segments of our population such as women and minorities, which represent the fastest growing groups, are not getting adequate access to capital and credit. The New Markets Initiative was conceived and designed to reach out to segments of the business population that have experienced barriers in the marketplace yet possess great untapped potential.

Also included in this group are newer, smaller businesses that have not been able to take full advantage of SBA's current programs. For example, the Small Business Investment Company (SBIC) program typically makes investments that range between \$300,000 and \$5 million. SBA realized that there was a need for even smaller sized investments in the \$50,000 to \$300,000 range, for businesses located in LMI areas. The New Markets Venture Capital program will provide the vehicle for these smaller sized investments in LMI areas.

SBA's role in the Clinton-Gore Administration's New Markets Initiative includes:

- ◆ **Low-and Moderate-Income (LMI) Investments**
This new funding mechanism provides regulatory and financial incentives to encourage SBICs and Specialized SBICs to expand their current investments in LMI areas.
- ◆ **New Markets Venture Capital Companies (NMVCs)***
Operating in a manner similar to SBICs, NMVCs will combine equity venture capital financing and technical assistance to smaller businesses located in LMI areas.
- ◆ **BusinessLINC Program***
A partnership between SBA, the U.S. Department of the Treasury, and the business community (Business Roundtable) BusinessLINC encourages large businesses to work with small business owners as technical advisors and mentors – especially in America's rural areas and inner cities.
- ◆ **Program for Investment in Micro-Entrepreneurs (PRIME)**
PRIME will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on very low-income entrepreneurs. The program will be managed by SBA's Office of Financial Assistance.
- ◆ **HUBZone Empowerment Contracting Program**
Established by the Small Business Reauthorization Act of 1997, this program promotes community empowerment, economic development, and job growth in "historically underutilized

business” zones, by making Federal contracting incentives available to small firms that are located in, and employ residents of, such communities.

◆ **One Stop Capital Shops (OSCS) Initiative**

The focus of this initiative is to provide small business services in partnership with Empowerment Zone (EZ) communities. Each OSCS is located in an economically distressed community, and targets untapped markets. There are currently 31 EZs.

◆ **Microloan Program**

The Microloan Program makes loans up to \$750,000 to intermediaries who in turn make very small loans (\$25,000 and under) to entrepreneurs. These entrepreneurs traditionally have been considered “unbankable,” due to inexperience with credit, lack of assets, or the need for on-going technical assistance.

Additionally, SBA’s involvement in the New Markets Initiative will be closely aligned with two other Federal Agencies’ legislative proposals:

◆ **America’s Private Investment Companies (APICs)***

APICs are modeled on the Overseas Private Investment Corporation (OPIC) and SBA’s SBIC program. APICs will provide private capital and government-backed funding to finance equity capital investment for the creation or relocation of large-scale businesses in inner cities and rural areas, and will be administered by the U.S. Department of Housing and Urban Development (HUD).

◆ **New Markets Initiative Tax Credit***

The New Markets Initiative Tax Credit will be administered by the U.S. Department of the Treasury and will be worth up to 30 percent for investments in a wide range of investment vehicles serving New Markets communities, including NMVCs, APICs, community development banks, and other targeted investment funds.

III. Successful Elements of Program

The New Markets Initiative is a fairly new initiative; in fact, some of the proposed programs under the Initiative are still awaiting authorization by Congress. One component of the Initiative, however, merits discussion on its tremendous success in reaching a growing segment of the business population – the microborrower.

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The SBA's Microloan Program offers very small loans (up to \$25,000) for start-up, newly established, and growing small businesses. Lending is integrated with business based technical assistance designed to fit the microborrower's needs. The program is targeted to women, low-income, and minority entrepreneurs and others with the capacity to operate small businesses, as well as those individuals in areas of economic downturn.

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SBA introduced the Microloan Program as a demonstration program in 1992, and the program has grown steadily every year since its introduction. The Microloan Program offers very small loans (up to \$25,000) for start-up, newly established, and growing small businesses. Lending is integrated with business based technical assistance designed to fit the microborrower's needs. The program is targeted to women, low-income, and minority entrepreneurs and others with the capacity to operate small businesses, as well as those individuals in areas of economic downturn. In FY 2000, SBA's program recorded over 2,050 microloans amounting to more than \$22.5 million. Since the program began in 1992, its nonprofit lenders have made more than 11,000 microloans totaling more than \$115.1 million dollars. Of those loans, approximately 46 percent have been made to businesses owned by women entrepreneurs. Each microloan creates or retains about 1.6 jobs.

For further information about the New Markets Initiative, please contact:

Small Business Administration
New Markets Initiative
409 Third Street, SW
Washington, DC 20024
Phone: (202) 205-6600

* Awaiting the United States Congress to pass authorizing legislation for these programs.

The U.S. Small Business Administration, Office of Federal Contract Assistance for Women Business Owners

I. Description of the program

The newest U.S. Federal government program initiative targeting women business owners is the establishment of the Office of Federal Contract Assistance for Women Business Owners (CAWBO). This office was established in May 2000 by Executive Order of the President. Executive Orders (EO) are official directives from the President to the heads of executive departments and agencies on important administrative and policy issues. These directives remain in force regardless of whether the President who signed the order is still in office.

CAWBO operates under the auspices of the U.S. Small Business Administration, which provides a portfolio of programs created to foster small business development. The mission of the office is to implement the provisions of the President's Executive Order and to work directly with each Federal department and agency that has procurement authority to expand competitive contracting opportunities for women-owned small businesses (WOSB). CAWBO will assist each agency to establishing contracting goals as well as program and outreach efforts. Furthermore, CAWBO will monitor, evaluate and report on the progress of the agencies in meeting contracting goals. We anticipate an increase in the number, dollar volume, and percent of contract awards to women business owners as a result of this initiative with a target of 5 percent of all government contracts awarded going to women business owners.

II. Program History

The U.S. Federal government purchases approximately \$200 billion in goods and services from suppliers and vendors each year. Mindful of the importance of the contribution of small businesses to the economy, the Federal government has established certain targeted goaling and outreach programs to encourage officials responsible for procuring goods and services to seek out small businesses. The government awards approximately 23 percent of its contracts to small businesses. Women-owned small businesses received only 2.5 percent in FY 1999.

The low participation rate for women-owned small businesses in the Federal procurement market prompted Congress to pass

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legislation in 1994 that established a 5 percent goal as a way to increase competitive contracting opportunities for women business owners.

Since then contract awards to women has increased, albeit much too slowly to assure achievement of the 5 percent goal in the near future. Overall there has been a 50 percent increase in contract awards to women and individual departments and agencies have pioneered programs which have been successful in significantly increasing the number of women responding to contract solicitations. In response to the request by the Federal departments and agencies for further direction and clarification of rules and regulations and suggestions for how to achieve these goals, President Clinton issued an Executive Order that reaffirms the government's commitment to achieving the 5 percent goal, and directs departments and agencies to take specific steps to increase opportunities for women. Executive Orders (EO) are official directives from the President to the heads of executive departments and agencies. Among the many provisions and commitments included in that EO was a provision establishing an Office of Federal Contract Assistance for Women Business Owners (CAWBO). The mission of the Office of Federal Contract Assistance for Women Business Owners is to implement the spirit and letter of Executive Order 13157 to increase Federal contracting opportunities for women-owned small businesses (WOSBs). We strive to be the premier source of information and procurement assistance for our customers.

III. Issues Program was Designed to Address

The President issued the EO to reaffirm the Administration's commitment to increase the participation rate of WOSB in Federal procurement to at least 5 percent of all contracts awarded to small businesses and to identify certain initiatives and strategies that would assist Federal agencies in increasing competitive contracting opportunities for women business owners. The EO outlined specific responsibilities for CAWBO, including:

- ◆ working with each agency to increase Federal contracts to WOSBs;
- ◆ advising agencies on ways to increase the participation of WOSBs in Federal procurement;
- ◆ evaluating the achievement of prime and subcontract awards to WOSBs;
- ◆ preparing a report to the President regarding achievements in awards to WOSBs;
- ◆ providing a program of training and development seminars and conferences for WOSBs;

- ◆ developing an interactive electronic commerce database that allows small businesses to register their businesses and capabilities as potential contractors for Federal agencies; and
- ◆ working with existing women-owned businesses organization, State, and local governments, to promote an increase in contracts to WOSBs.

IV. Lessons Learned

The office has developed an implementation plan to ensure that contracts going to WOSB increase annually. We will be working closely with the senior procurement executives in each Federal department or agency and where goals are not met, we will develop and negotiate plans specifying particular actions that the agency will undertake to increase WOSB participation. We will be just as active on the supply side. Agencies need to know how to reach WOSB suppliers and vendors in each industry sector. CAWBO will build that bridge by providing support for both agencies and WOSB, including:

1. providing information and access via the womenbiz.gov website;
2. developing a national database where firms can self-certify that they are WOSB and contracting officers can search for firms by industry;
3. providing reliable statistics about the WOSB by industry and location;
4. offering on-going training and education.

With over 9 million WOSB in the U.S., the share of Federal contracts awarded to women could be significantly greater. The establishment of CAWBO as a program resource and business advocate within the Federal government represents a major step forward in connecting women to business opportunities in this lucrative government marketplace.

For further information on the Office of Federal Contract Assistance for Women Business Owners, please contact:

Sheryl J. Swed
 Assistant Administrator
 Office of Federal Contract Assistance for Women Business Owners
 U.S. Small Business Administration
 409 Third Street, SW
 Washington, D. C. 20416
 Phone: 202-205-6413
 Fax: 202-481-5593

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The U.S. Small Business Administration, Office of Women's Business Ownership

I. Description of Program

The U.S. Small Business Administration's Office of Women's Business Ownership (OWBO) fosters the start-up and expansion of women-owned businesses. OWBO's programs address business-training and technical-assistance needs, access to credit and capital, and access to marketing opportunities, including Federal contracts. OWBO reaches out to women business owners through a number of programs that are coordinated by women's business ownership representatives in each of the SBA's 77 district and branch offices nationwide.

Chief among these programs is the Women's Business Center program established by Congress in 1988. Administered by OWBO, this program provides long-term training, counseling, networking and mentoring to potential and existing entrepreneurs through grants to grassroots economic-development organizations. These women's business centers (WBCs) have developed curricula which addressed the business development and training needs of women business owners, with a special focus on socially and economically disadvantaged populations.

II. Program History

The Office of Women's Business Ownership was established in 1979 under an Executive Order issued by President Carter. This Presidential order was implemented as a result of the findings included in a report produced by the Federal Interagency Task Force on Women's Business Enterprise. The report, "The Bottom Line: Unequal Enterprise in America," documented the barriers women face in starting and expanding businesses and called for a government effort to remove those barriers. For the next 8 years, OWBO served primarily as an advocate for women-owned businesses. OWBO's main initiative was to orchestrate a series of well-attended educational conferences for women entrepreneurs, producing and distributing various useful business-development guides.

The Women's Business Ownership Act of 1988 gave OWBO, for the first time, program responsibilities beyond advocacy. The Congress, recognizing that many women, especially those who were socially and economically disadvantaged, faced unique issues that other SBA resources were not fully equipped to address, allocated \$2 million for a new program that would provide seed funds to establish a network

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In 1994, OWBO initiated the Women's Prequalification Loan Program, a unique program to assist women in securing bank financing by providing banks with that assurance.

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of local women's business training centers. These centers were to provide long-term training and counseling to potential and existing women entrepreneurs, including a representative number of socially and economically disadvantaged women. The centers were required to match the Federal funding they received with private-sector and local government funds.

By 1997, the number of centers funded through this program increased to 71 in 43 states, the District of Columbia, Puerto Rico, the Virgin Islands and American Samoa. In addition, an Online Women's Business Center was established to address the information, business development and training needs of women business owners who do not have access to a physical center. The Online Women's Business Center can be found on the world wide web at www.onlinewbc.org.

Women's Prequalification Loan Program

Access to capital has always been a major challenge for small business enterprises. Lending institutions have been reluctant to finance new businesses, especially service businesses, without some assurances that the bank will be able to secure that loan. The SBA works with banks by providing them with that assurance in the form of loan guarantees, however, without some indication that the SBA would guarantee new business loans, many banks refused to approve these loans. In June 1994, OWBO initiated a unique program to assist women in securing bank financing by providing banks with that assurance. This program, the Women's Prequalification Loan Program, encouraged women to submitted their loan applications directly to the SBA and then, if approved, they would received a 'prequalification' letter from the SBA guaranteeing 90 percent of the loan — a strong incentive for banks to make the loan. The SBA based their approval on character and the ability to repay — not on the availability of collateral. In addition to this letter of prequalification, SBA also provided these new businesses with connections to education and business development resources. The program was an unqualified success and in 1998, it was expanded nationwide as the Loan Prequalification Program and is now available to all entrepreneurs who qualify for this kind of assistance. Between June 1, 1994, and the end of fiscal year 2000, the Loan Prequalification Program resulted in 1,621 loan approvals to women valued at more than \$150 million.

Women's Network for Entrepreneurial Training

The Women's Network for Entrepreneurial Training (WNET) was established in 1988 as a one-on-one mentoring program for women, matching experienced, successful women entrepreneurs with women

entrepreneurs ready to expand their businesses. Although successful, the program was highly labor-intensive and not easily replicated. In 1996, OWBO restructured the program as a series of monthly mentoring roundtable meetings.

Interagency Committee on Women's Business Enterprise

In 1997, Congress passed legislation establishing an Interagency Committee on Women's Business Enterprise (IACWBE). The mission of the IACWBE was to work across government agency lines to foster the growth and development of women's business. The President appoints a senior White House official to chair this Committee which is comprised of senior officials from nine Federal Departments and agencies. Other offices within the Federal government participate in the programs and deliberations of the IACWBE. The IACWBE works jointly with its private sector counterpart, the National Women's Business Council, a bi-partisan panel whose mission is to provide advice and counsel to the President and Congress on issues of importance to women business owners. The Associate Administrator for the Office for Women's Business Ownership serves as the Vice Chair of the IACWBE.

III. Issues Program was Designed to Address

All of the SBA's programs and services are available to women, and some were designed exclusively for women or in response to their requests. Services are provided through district and branch offices nationwide, as well as through Small Business Development Centers (SBDCs)— nearly half of whose clients are women — the Service Corps of Retired Executives (SCORE), One-Stop Capital Shops, Business Information Centers, Tribal Business Information Centers, disaster assistance centers, and Women's Business Centers. The Office of Women's Business Ownership, however, brings special focus to meeting the sometimes unique needs of women entrepreneurs, and to promoting and advocating for the 9.1 million women-owned businesses in the United States. These businesses — nearly 40 percent of all U.S. small businesses — employ 27.5 million people, generate \$3.6 trillion in revenues annually, and are vital to the U.S. economy.

Training, Counseling and Mentoring

Women's Business Centers — The WBCs provide long-term business assistance and training in finance, management, marketing, government contracting and the Internet, as well as addressing specialized topics such as home-based businesses, venture capital, and welfare-to-work. All centers provide individual business counseling and access to the SBA's programs and services. What makes this program unique and so successful is that each WBC tailors its

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programs to the needs of its individual community. For example, many offer programs and counseling in two or more languages. With \$9 million in program funding for fiscal year 2000, the number of funded centers grew to 71, and the number of clients served swelled from just over 14,000 in 1998 to 24,800 in 1999. Funding for this program is expected to increase annually.

Training on the Internet — In January 1998, OWBO launched the Online Women's Business Center on the Internet. The Online WBC immediately built a large audience for its interactive training and counseling services that assist women in starting and growing businesses. Recent additions to this free, interactive Web site include a segment for young entrepreneurs, information for military spouses on transportable businesses, disabilities information, and how to start a childcare business. Although developed primarily for women in the United States, the Online WBC quickly reached women in more than 100 countries around the world and garnered numerous prestigious awards.

To encourage a global marketplace and assist immigrant Americans, major portions of the site have been translated into Spanish (1998), Russian (1999), Chinese, Japanese, and Icelandic (2000). French and Arabic versions are also in development. The Online Women's Business Center receives approximately 2 million hits a month from over 100,000 users and sends a monthly newsletter to approximately 10,000 women entrepreneurs.

The SBA also offers "online classrooms" via its homepage at www.sba.gov.

Counseling — The Service Corps of Retired Executives (SCORE) is the SBA's key resource partner for counseling. Comprised of more than 12,000 volunteers from across the country with expertise in virtually any field of business (and no longer all retirees), SCORE provides SBA clients with guidance and mentoring, free of charge. In 1996 the Service Corps of Retired Executives started the Women's Initiative. Under the joint leadership of OWBO and SCORE's management, this major effort placed the first women to ever serve on SCORE's national Board of Directors and strove to increase the number of women volunteers to 25 percent by 2000. Three women board officers were named in 1996, and in 1997 the Women's Advisory Committee was formed, which is still in place. As of the end of fiscal year 2000, women volunteers represented 18 percent of the organization.

Mentoring — The Women’s Network for Entrepreneurial Training provides mentoring for current and emerging women business owners through WNET roundtables. Groups of mentors and protégées meet regularly to provide assistance, support and networking opportunities. Sponsors include women’s business centers, small business development centers, local business leaders, government representatives and SCORE. In 1998 OWBO facilitated the publication of *Mentoring Programs that Work: The Women’s Network for Entrepreneurial Training*, a guidebook for individuals or groups that want to start mentoring roundtables. Currently, approximately 185 roundtables operate nationwide; some even “meet” on the OnlineWBC.

Access to Capital and Credit

Since FY 1992 SBA-guaranteed loans to women have tripled in number and dollar value. Between FY 1992 and FY 2000, the SBA backed nearly 84,460 loans amounting to nearly \$13 billion to women-owned businesses. In fiscal year 2000 alone, the SBA backed 10,842 loans to women entrepreneurs worth \$2 billion.

In 1998 the SBA licensed the first three women-owned venture capital funds under the Small Business Investment Company (SBIC) Program. These funds target their investments to women-led companies. The new SBICs have made some \$80 million of new venture capital available to help small, women-owned high growth companies launch their businesses. OWBO also produced a booklet entitled “New Sources of Private Equity Capital for Women Entrepreneurs” to assist other women in forming similar investment companies.

The SBA has also developed several pilot loan programs that are especially helpful to women entrepreneurs:

- ◆ SBA LowDoc is a simplified process for those seeking smaller loans of up to \$150,000. It reduces the SBA application to one page (front and back).
- ◆ SBA *Express* makes loans of up to \$150,000 available, including revolving lines of credit. At the lender’s discretion, loans to qualified borrowers of up to \$25,000 may be unsecured.
- ◆ The Loan Prequalification is a nationwide program that helps entrepreneurs develop successful loan application packages and secure bank loans with pre-approved SBA loan guaranties. In FY 2000 women received 240 “Prequal” loans worth \$22.3 million. Since the program started in 1994, women have received more than 1,600 Prequal loans valued at nearly \$153.7 million.

In 1998 the SBA licensed the first three venture capital funds specializing in target their investments to women-led companies. Under the Small Business Investment Company (SBIC) Program. These funds have made some \$80 million of new venture capital available to help small, women-owned high growth companies launch their businesses.

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In May 1999 OWBO and the SBA's Office of International Trade coordinated the first-ever women's trade mission to Canada. Led by SBA Administrator Aida Alvarez, 125 American businesswomen from several industry sectors participated in this tri-lateral initiative among the SBA, the U.S. Department of Commerce, the Ministry for International Trade and Industry Canada.

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- ◆ Since it premiered in 1992, women business owners have received nearly half of all SBA loans under the MicroLoan Program. This program provides loans of up to \$25,000, as well as management and technical assistance, to help ensure success of these very small businesses.

Advocacy

In addition to the services provided directly by SBA personnel and indirectly through our resource partners, SBA hosts a very successful internet program – www.sba.gov. The OWBO homepage, which is found at www.sba.gov/womeninbusiness, was designed to direct users to vital information on the SBA and Online Women's Business Center Web sites: www.sba.gov and www.onlinewbc.org.

In order to communicate regularly with the women's business constituency, OWBO developed a vast database that can be instantly accessed to send electronic messages via the internet. Used to distribute its monthly newsletters and other important announcements, the internet has become an invaluable addition to the office's communications tools.

Promoting International Trade

International programs for the SBA fall under the auspices of the Office of International Trade (OIT). In May 1999 OIT and OWBO coordinated the first-ever women's trade mission to Canada. Led by SBA Administrator Aida Alvarez, 125 American businesswomen from several industry sectors participated in this tri-lateral initiative among the SBA, the U.S. Department of Commerce, the Ministry for International Trade and Industry Canada. During the Canada-U.S.A. Businesswomen's Trade Summit in Toronto, members of the U.S. delegation were matched with women business owners from Canada, establishing trade and joint-venture partnerships; some deals were reportedly worth several million dollars. A letter of intent, signed by both governments' principals, pledges to continue cooperating to increase women-owned business trading across our border.

Following discussions held during the summit, the SBA, the Embassy of Canada, the Ministry for International Trade and Industry Canada agreed to establish links on their respective agency Web sites to direct women business owners to procurement opportunities from the U.S. and Canadian governments. Attempts will be made to establish similar links with the Mexican government to further promote primary and subcontracting opportunities throughout the Northern Hemisphere. As a follow-up to the Canada-U.S.A. Businesswomen's Trade Summit, OIT and OWBO initiated the SBA's first-ever-virtual trade summit. Since 1996, under the auspices of OIT, the SBA has led U.S. small businesses on trade and investment missions to Ireland, Mexico,

South Africa and Egypt. Three SBA-sponsored reverse trade missions have also taken place between U.S. and Mexican, African and Irish small businesses. Women-owned businesses constituted between 25 and 30 percent of the firms participating in these missions. The participants have reported extremely positive results from these missions, including sales and joint-venture relationships worth several millions of dollars.

To help women export their goods and services, OIT developed *SBAExport Express*, addressing the immediate financing needs of exporters. With this new program, plus SBA's existing Export Working Capital Program and International Trade Loan Program, small business exporters have better access to the capital necessary to compete in the global marketplace.

Women represent only 2 percent of the approximately 205,000 U.S. small business exporters. The SBA's offices of Women's Business Ownership and International Trade continue to work together on special outreach initiatives to increase the numbers of women business owners taking advantage of global trading opportunities.

IV. Successful Elements of Program

OWBO takes pride in the successful implementation of the numerous program elements previously discussed, such as the Women's Business Center Program, the Online Women's Business Center, the Women's Network for Entrepreneurial Training Program and outreach to the women's business community. OWBO also works with private-sector organizations to promote women's entrepreneurship. OWBO continually strives to implement new and more effective communication tools for its network of women's business centers, women's business ownership representatives at district offices, and "friends" of women and business.

V. Lessons Learned

Since January 1993, the SBA and its Office of Women's Business Ownership have made great strides in helping women start and expand their businesses. Our success can be attributed to a number of factors:

- ◆ Devising technical assistance programs especially for women, which take into account language difficulties, family responsibilities and different cultures.

OWBO takes pride in the successful implementation of the numerous program elements previously discussed, such as the Women's Business Center Program, the Online Women's Business Center, the Women's Network for Entrepreneurial Training Program and outreach to the women's business community.

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OWBO's success can be attributed in part to capturing the combined power of national women's organizations, and being responsive to their issues and concerns, in order to broaden OWBO's outreach to women – especially those outside the economic mainstream – and to further OWBO's mission of helping women achieve self-sufficiency through entrepreneurship.

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- ◆ Devising capital- and credit-assistance programs that meet the special needs of women.
- ◆ Taking SBA programs and services to the Internet, especially for home-based business- women and those occupied during “work hours” with family and professional responsibilities.
- ◆ Using the success stories of local women's business centers to educate the Congress on the benefits of the Women's Business Center Program — of jobs created, women who have gotten off welfare through entrepreneurship, and sales and revenues added to local and national economies.
- ◆ Using individual success stories of women assisted by the SBA to educate the press, Congress and the public about the SBA's programs and services.
- ◆ Using the data generated by the U.S. Census Bureau, and extrapolated by the National Foundation for Women Business Owners, to convince the press, Congress and the public about the growth of women-owned businesses and their contribution and vital importance to the national economy.
- ◆ Capturing the combined power of national women's organizations, and being responsive to their issues and concerns, in order to broaden OWBO's outreach to women — especially those outside the economic mainstream — and to further OWBO's mission of helping women achieve self-sufficiency through entrepreneurship.

For more information on the Office of Women's Business Ownership, please contact:

Small Business Administration
Office of Women's Business Ownership
409 Third Street SW.
4th floor
Washington, DC 20416
Phone: 202-205-6673
Fax: 202-205-7287
Email: owbo@sba.gov

The U.S. Small Business Administration, Small Business Investment Company Program

I. Description of Program

The Investment Division within the Office of Capital Access, the Small Business Administration (SBA) administers the Small Business Investment Company (SBIC) program. The SBIC program is a unique partnership of public and private funds in which the SBA supplements the capital of private venture capital investment firms. So long as the SBICs operate within the regulations under which SBA licenses them, these investment companies are controlled by their private owners and managers who make all the investment decisions. Since program inception, SBICs have invested over \$30 billion in more than 123,000 separate financings to over 68,000 small businesses.

II. Program History

In 1957 the Federal Reserve Bank of Boston released a study which identified a major gap in capital markets for long-term financing of smaller growth-oriented businesses. In response to this identified need, the Congress passed the Small Business Investment Act of 1958. This Act established the SBIC program. The Small Business Equity Enhancement Act of 1992 substantially modified the program and significantly increased its popularity and impact.

Prior to the Small Business Equity Enhancement Act of 1992, funding was provided to SBICs in the form of debentures, which required the SBICs to make periodic interest payments on the debenture. Their investments in portfolio companies needed to recognize this requirement. Therefore, the portfolio companies had to be able to service some debt, which prevented them from reinvesting cash back into the company since some had to be conserved to service the periodic interest payments. Therefore, most investments took the form of subordinated debt with some current pay requirements on the part of the portfolio companies. The 1992 changes authorized participating securities. Participating securities still require that periodic interest payments be made to the purchasers of the debentures; however, under this form of the program SBA agrees to make these periodic interest payments unless the SBIC has achieved cumulative profitability. This allows the SBIC to make true equity investments because there is no need to service the debt in the earlier years.

The Small Business Administration's Small Business Investment Company (SBIC) program is a unique partnership of public and private funds in which the SBA supplements the capital of private venture capital investment firms.



Since program inception, SBICs have invested over \$30 billion in more than 123,000 separate financings to over 68,000 small businesses.

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The SBIC program was designed to improve growth-oriented small businesses access to long-term capital. This lack of capital access was the finding identified by the Federal Reserve Bank of Boston study in 1957, and it holds true today.



Total SBIC financing extended to small businesses in Fiscal Year 2000 was in excess of \$5.6 billion. This is an increase of 25 percent from the previous fiscal year, and an increase of 250 percent from fiscal year 1996.

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III. Issues Program was Designed to Address

The SBIC program was designed to improve growth-oriented small businesses access to long-term capital. This lack of capital access was the finding identified by the Federal Reserve Bank of Boston study in 1957, and it holds true today. Although the amount of venture funding has increased significantly in the past few years, it is not sufficient to fund all new fast growing businesses.

Additionally, the supply of funds is not evenly spread throughout the United States and across all industry sectors. Much of the funding is committed to high tech businesses and to specific geographic areas. For example much of venture financing is concentrated in four states; California, Massachusetts, New York and Texas.

Finally, venture financing is increasingly being made in larger amounts, which has the effect of leaving less financing available for businesses seeking lesser amounts of funding. The average size of venture financing is approximately \$15 million. Many small businesses do not need this amount of funding. There appears to be a significant gap in the funding available in the range of \$300,000 to \$5,000,000.

The program has enjoyed tremendous success, particularly, since the 1992 changes, in providing capital to small businesses. Total financing extended to small businesses in Fiscal Year 2000 was in excess of \$5.6 billion. This is an increase of 25 percent from the previous fiscal year, and an increase of 250 percent from fiscal year 1996. Total capital resources available or committed in the program now exceed \$15 billion, or 2.5 times the amount at fiscal year end 1996. Approximately 2,000 small businesses are assisted each year by SBICs.

IV. Successful Elements of Program

As indicated above, the SBIC program is designed to fill a gap not currently being met by traditional lenders and/or venture capitalist. This is a gap occupied by small businesses; particularly those not located in the high tech sector of the economy and those not needing large (on a relative basis) sums of money. Although we believe the gap exists, the SBIC program is fulfilling its mission of providing long-term capital to small businesses who need funding in the \$300,000 to \$5,000,000 range. It is doing this on a more geographically dispersed basis and on a more diverse industry basis than traditional venture capital funds.

Increasingly, however, women and minority entrepreneurs are creating small businesses. The SBIC program was not created or designed to

reach a group of businesses based upon its identification as a group. However, the program must be able to fulfill its mission for all entrepreneurs regardless of race, ethnicity or gender. Traditional venture capital funds have not historically made a significant portion of their investments in companies owned by women or minority entrepreneurs. This is also true of the SBIC program. However, the program must ensure that these groups enjoy equal access to the funds available through SBICs.

Much of the venture capital industry, including access to venture fund managers, is built upon networks. Opening access to these networks is critical to increasing program participation with women and minority entrepreneurs. One way to assist in this effort is to license qualified management teams with women/minority managers or those focused on women and/or minority owned businesses.

In this respect the SBA as a whole has increased its focus on what has been referred to as New Markets. These are businesses owned by women and minorities or located in low or moderate-income (LMI) areas. The SBIC program has also increased its attention on these new markets. In 1999 the SBA hosted a series of workshops on the SBIC program with one goal of increasing awareness in the investor community to the business opportunities in LMI areas. A significant effort was made to target the banking community as an audience and to increase their participation in funds that would focus their investment opportunities on LMI areas. We encourage qualified women and minorities to become active as managers in SBICs. We believe women and minority managers would have more effective networks in reaching women and minority entrepreneurs.

Although all SBICs can and do make investments in women and minority owned businesses, the SBA has in the past two years licensed three women managed SBICs that will focus primarily on women entrepreneurs. Additionally, we have licensed a women/minority-managed firm that will focus on investments in LMI areas. The three women managed firms are Capital Across America, Women's Growth Fund, and Viridian Capital. The women/minority managed SBIC is Bon Secours Community Investment Fund. SBIC financing to women-owned small business has more than tripled from \$31 million in Fiscal Year 1998 to \$104 million in Fiscal Year 2000.

V. Lessons Learned

Women and minority owned businesses face the same capital needs as all small businesses. However, the venture capital industry is very

Much of the venture capital industry, including access to venture fund managers, is built upon networks. Opening access to these networks is critical to increasing program participation with women and minority entrepreneurs. One way to assist in this effort is to license qualified management teams with women/minority managers or those focused on women and/or minority owned businesses.

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As increased numbers of women and minorities enter the venture capital industry as principals of funds, one may expect an increase in the number of businesses owned by women and minorities to receive venture funding. As venture capitalists recognize the increasing market opportunity afforded by these investment opportunities, the number of transactions can also be expected to increase.

much built on relationships. To the extent these businesses do not have the relationships with venture capitalists, they do not possess the same access to this source of funding. As increased numbers of women and minorities enter the venture capital industry as principals of funds, one may expect an increase in the number of businesses owned by women and minorities to receive venture funding. As venture capitalists recognize the increasing market opportunity afforded by these investment opportunities, the number of transactions can also be expected to increase. The SBA needs to continue to promote the SBIC program to potential women and minority managers and to promote the opportunity afforded by businesses in these communities.

For further information about the Small Business Investment Company program, please contact:

Harry Haskins
Deputy Associate Administrator for Investment
Small Business Administration
409 Third Street, SW
Washington, DC 20024
Phone: 202-205-6694
Fax: 202-205-6013
Email: harry.haskins@sba.gov

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The White House Office for Women's Initiatives and Outreach

I. Description of Program

The White House Office of Women's Initiatives and Outreach contributes to the development of Administration policy as it relates to women and families, often by bringing the concerns of outside experts and constituency groups into the policy-making process. Inside and outside the White House, the Women's Office advocates for issues important to women, including women's business initiatives, procurement, domestic violence prevention, health care reform, reproductive rights, and balancing work and family.

The Women's Office serves as a liaison between the White House and the women's community to advance the interests of women and families. We are a valuable source of information on the Administration's initiatives and on the vast array of programs and resources for women and families across the Federal government. Information on the Administration's support for women and families agenda is available on our web site at WhiteHouse.gov/women.

II. Program History

The Women's Office was established in June of 1995 by President Clinton and has been extremely active in working with women's organizations across the country and developing policy initiatives which address their issues and concerns. Prior to the establishment of the Women's Office, no formal vehicle existed for the White House to communicate directly with national and local women's organizations. The Women's Office is the focal point within the White House for other Federal agencies and offices targeting the interests of women. These agencies include the National Women's Business Council, the Office for Women's Business Ownership, the Women's Bureau at the Department of Labor, the President's Interagency Council on Women and the Interagency Committee for Women's Business Enterprise.

III. Issues Program was Designed to Address

The Women's Office was designed to address all issues of importance to women and families. Since its inception, the Office has worked tirelessly to highlight women's business procurement, women's business enterprise, the President's New Markets Initiative, as well as domestic and international family planning, women's health and many

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The White House Women's Office has been instrumental in inviting national women's organizations to the White House for briefings pertaining to issues of their interest.



Between FY 1992 and FY 1999 the SBA approved nearly 73,000 loans, amounting to more than \$11 billion, to women entrepreneurs under the 7(a) and 504 loan programs.

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others. We accomplish these goals through briefings, events, distributing information about the Administration's policy, and Coordinating other women's offices within the Administration.

Briefings

The Women's Office has been instrumental in inviting national women's organizations to the White House for briefings pertaining to issues of their interest. Through briefings with senior level Administration officials, national grassroots organizations are able to obtain current information concerning policy issues most important to them.

Events

The Women's Office hosts numerous events highlighting the successes moving the women's agenda forward.

Dissemination of Information

The Women's Office provides daily updates of Administration policy, announcements, and briefings. Through e-mails, conference calls, newsletters, mailings and our web site, Administration information is distributed on a vast number of subjects in a timely and efficient manner.

Policy Initiatives

By coordinating meetings with Administration policy staff and grassroots organizations, concern on issues supporting women and families are brought to the policy table.

IV. Successful Elements

Through the partnerships that the Women's Office has formed, the Administration has achieved the following goals:

- ◆ **Tripled the Number of Small Business Loans to Women Entrepreneurs.** Between FY 1992 and FY 1999 the SBA approved nearly 73,000 loans, amounting to more than \$11 billion, to women entrepreneurs under the 7(a) and 504 loan programs. In FY 1999 alone, the Small Business Administration granted 10,244 loans, worth \$1.85 billion, to women small business owners, triple the number of loans granted in 1992; in FY 2000 to date the SBA has approved 3,612 loans worth \$711 million dollars. [As of 2/00]
- ◆ **More Women Starting Businesses.** Women are starting businesses at twice the rate of all businesses and staying in business longer. There are an estimated 9.1 million women-

owned firms today, employing 27.5 million people and contributing \$3.6 trillion in sales and revenue to the U.S. economy. The Small Business Administration's Office of Women's Business Ownership is working to foster this growth.

- ◆ **Expanded Small Business Opportunities for Women.** The Administration expanded the women's business center programs from \$1 million for 20 centers to \$12 million for 100 Women's Business Centers, which provide resources to foster increased entrepreneurship among women. In his FY 2001 budget, President Clinton has proposed to expand the Women's Business Center network budget to \$12 million, an increase of 33 percent. Today this network includes more than 80 women's business centers, including an Online Women's Business Center.
- ◆ **Presidential Executive Order Signed.** In May 2000, President Clinton issued the President's Executive Order for Women's Business Procurement, an executive order requiring departments and agencies to develop long-term comprehensive strategies to expand opportunities for women-owned small businesses, including mentor-protégé programs to include women-owned firms and industry-wide -- and industry-specific -- outreach, training, and technical assistance programs for women-owned small businesses. Through understanding the needs of women's business organizations, this executive order secures a mandatory 5 percent of government contracts directed to women owned businesses [Executive Order 13157, 5/23/00]
- ◆ **Interagency Committee on Women's Business Enterprise.** The Committee is comprised of policymaking officials from various Federal departments and agencies. The Committee develops public sector initiatives designed to foster women's business enterprise, consults with the National Women's Business Council, and reviews public sector programs relating to women-owned businesses.

V. Lessons Learned

Over the past five years the Women's Office has contributed substantially to policy development, initiatives and outreach at the White House. By providing women's organizations a voice and a place at the table, we have assured that our issues are heard and that women are part of the decision-making process.

The Administration expanded the women's business center programs from \$1 million for 20 centers to \$12 million for 100 Women's Business Centers, which provide resources to foster increased entrepreneurship among women.



On May 23, 2000, President Clinton issued an Executive Order for Women's Business Procurement, requiring departments and agencies to develop long-term comprehensive strategies to expand opportunities for women-owned small businesses.

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For more information about the White House Office for Women's Initiatives and Outreach, please contact:

The White House
Office for Women's Initiatives and Outreach
Room 15
Eisenhower Executive Office Building
Washington, DC 20502
Phone: 202-456-7300
Fax: 202-456-7311
Email: women's_office@who.eop.gov

By providing women's organizations a voice and a place at the table, we have assured that our issues are heard and that women are part of the decision-making process.

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FleetBoston Financial, Women Entrepreneurs' Connection

I. Description of Program

FleetBoston Financial has set an example in its efforts to establish strong customer relationships with women business owners. Its profit-driven strategy to seek out new growth markets led it to the women's business market, which it found to be large, profitable and untapped. In 1997, the bank sought to create an internal business unit that would reach out to women business owners, identify their capital needs, provide referrals for technical and educational support and match the bank's financial products to their current stage of business. Strategically located within the bank's small-business division, the mission of the new department was to leverage the bank's available resources, marketing them to existing and prospective women clients. Its goal was to become the bank of choice for women entrepreneurs.

II. Program History

The bank's experience and research revealed that women business owners were a growing business sector but that their demand for capital was not being met by lenders. The research also showed that women highly valued access to information resources. While there were a multitude of resources available to entrepreneurs, women were having difficulty identifying and accessing them. In 1998, BankBoston developed a comprehensive program to market their connection to capital, information and resources both inside and outside the bank to women entrepreneurs and to those women aspiring to business ownership. After the merger with Fleet Bank in 1998 the Women Entrepreneurs' Connection ("The Connection"), a targeted small-business capital access program that offered women business owners access to a spectrum of products and services geared to their business' needs was launched throughout New England, New York and New Jersey.

III. Issues Program was Designed to Address

The program was initiated to assist small women-owned businesses in gaining access to capital, information, advocacy and other resources essential for launching and growing healthy, profitable companies. The effort involved both an internal and an external education and

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In 1998, BankBoston developed *Women Entrepreneurs' Connection*, a comprehensive program to market their connection to capital, information and resources both inside and outside the bank to women entrepreneurs and to those women aspiring to business ownership.

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Fleet recently earmarked \$2 billion as a financing initiative to support the growth of women-owned businesses. The bank found that many women were utilizing more expensive credit instruments, like credit cards, to finance their businesses either because they were turned down for loans or were unaware of the options. The Connection team was set up to function as a partner with women business owners during the loan process.

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marketing effort. First, The Connection worked throughout the bank to build relationships across lines of business. Second, The Connection built relationships with a variety of women's organizations and other partners to support and sponsor programs for women. The Connection actively works with women entrepreneurs to guide them to the appropriate resources within the bank and to maintain that relationship as their businesses grow and their needs expand.

IV. Successful Elements of the Program

Fleet recently earmarked \$2 billion as a financing initiative to support the growth of women-owned businesses. The bank found that many women were utilizing more expensive credit instruments, like credit cards, to finance their businesses either because they were turned down for loans or were unaware of the options. The Connection team was set up to function as a partner with women business owners during the loan process. For instance, The Connection works with Fleet's Community Development Group to review loans rejected on the basis of credit scoring and, under some circumstances, aids in getting a loan approved through reconsideration under a special purpose loan program known as a "second look." The Connection may also open channels to equity financing in situations where women are burdened by debt but poised to grow, and introduces women-led high growth companies to the banks' venture capital managers. The Connection has also facilitated bank investments in venture funds, which in turn make equity investments in women-owned businesses. At each stage of development and for each type of business, Fleet Boston Financial's Women Entrepreneurs Connection is there to provide their services to women business owners.

Beyond educating lenders within the bank, The Connection team also acts as a conduit to resources within the community that provide women entrepreneurs with information, technical assistance and networking opportunities. One such resource partner is the Center for Women and Enterprise, a women's business development educational center in Boston, Massachusetts providing a range of programs and mentoring services for women entrepreneurs. The Connection encourages the use of advisory boards and tries to facilitate networks from which they may be drawn. By creating the kinds of networks that male business owners have traditionally benefited from, women can also build connections to alternate sources of funding. Through these educational resource partners, bank clients receive education about appropriate lending products and are offered advice regarding cash flow, managing profitability, or other business finance topics. At every level, borrowers are provided with a "road map" to success.

The Connection has enabled the bank to act as an advocate for women seeking to move their businesses forward.

To further solidify its relationships in the community, Fleet's Women Entrepreneurs' Connection sponsors, supports research and participates in many events throughout the year produced for and by women business owners. The Connection assists its partners within the women's community by broadcasting these events on the bank's web site.

V. Success Stories

Diane Durkin, owner of the Loyalty Factor in Massachusetts was unhappy with Fleet bank, her small business bank. She was just not going to go through one more merger to feel less valuable as a small business customer. Diane met Sidrah Jackson a seasoned member of the WEC team at a women business owner networking group.

After listening to her, asking questions about the Loyalty Factor plans for growth, Sidrah suggested Diane become a member of a women' business owner organization where she could attend monthly a peer to peer mentoring group and networking opportunities to develop her business.

Diane was pleased with the personal service and connections to resource she remained a customer of Fleet and within six month sought additional financing of \$250,000 to grow her business. No only did the Connection retain a customer, but also Diane's husband, a local attorney, referred other women owned businesses to the bank.

Valeria Gersten a young MBA graduate and owner of a three year old high tech firm was ready to grow her business. She had everything in place except capital to grow her dot.com business. A valued Fleet small business customer she saw the announcement of WEC \$2Billion credit and equity initiative and she decided to call her bank as well as seek outside venture capital.

Through the connection she was introduced to Fleet Development Ventures, an internal development company within the bank. She was also encouraged to apply to Springboard 2000 – a new venture forum for women. Valeria has following through on both, seeking one to two million dollars. She is hopeful and she appreciated having an advocate in the Connection who assist in connecting her to the capital she needs to grow her company.

The Connection works with Fleet's Community Development Group to review loans rejected on the basis of credit scoring and, under some circumstances, aids in getting a loan approved through reconsideration under a special purpose loan program known as a "second look."



The Connection has enabled the bank to act as an advocate for women seeking to move their businesses forward.

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The Women Entrepreneurs' Connection provides more than the basic business products that small businesses need. The 'Connection' to resources – financial, business and personal is key to sustaining their growth. Connections to resources may be found both inside and out of Fleet.

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VI. Lessons Learned

- ◆ Women business owners need to know that they have a partnership with their financial institution, not just a place to transact their business.
- ◆ The Women Entrepreneurs' Connection provides more than the basic business products that small businesses need. The 'Connection' to resources – financial, business and personal is key to sustaining their growth. Connections to resources may be found both inside and out of Fleet.
- ◆ Women business owners' need for capital, information and networking support *change* as their businesses develop.
- ◆ The Internet will soon become a viable and reliable source of connecting women to information and resources quickly, easily and at the time *they choose* to access it.
- ◆ Women business owners need to have a better understanding of leverage and how *their vision* for growth will determine their capital needs.
- ◆ Younger women business owners tend to have higher educational degrees, and a better understanding of how debt and equity can fuel their business growth.
- ◆ Women want to be viewed and treated as business owners first and foremost. By learning what women business owners want or expect from their financial partners, you can understand their specific needs and respond to them, developing loyalty in the process and acquiring or retaining business.
- ◆ In comparison with all businesses and all women-business owners, women of color are not taking advantage of the financial resources available to them. These businesses tend to bootstrap their companies longer before seeking out financing from a bank thus limiting their growth potential and risking the long term health and success of their business.

- ◆ This is a dynamic and evolving market that is in the early stages of accessing capital, information and resources. To capitalize on the economic engine that women business owners represent, there must be continued focus from government, corporations and education to provide opportunities and programs that will sustain their growth.

For further information about FleetBoston's Women Entrepreneur's Connection, please contact:

Teresa Cavanagh
Sr. Vice President
FleetBoston Financial
Director of the Women Entrepreneurs' Connection
100 Federal Street, MA DE 10007C
Boston, MA 02110
Phone: 617-434-5226
Email: teresa_cavanagh@fleet.co

Women want to be viewed and treated as business owners first and foremost. By learning what women business owners want or expect from their financial partners, you can understand their specific needs and respond to them, developing loyalty in the process and acquiring or retaining business.

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The National Association of Women Business Owners, Public Policy Days

I. Description of Program

The National Association of Women Business Owners (NAWBO) represents the interests of the more than 9 million women business owners in the United States. This group generates \$3.6 trillion in sales per year and employs 27.5 million workers. NAWBO's vision is to propel women entrepreneurs into economic, social, and political spheres of power worldwide. The organization's mission is to strengthen the wealth-creating capacity of its members and promote economic development; to create innovative and effective change in the business culture; to build strategic alliances, coalitions and affiliations; and to transform public policy and influence opinion makers.

II. Program History

The National Association of Women Business Owners was formed in 1975 by a group of women business owners in the Washington, DC area. These visionary women realized they needed to network with one another to share insights and experiences. They met informally for several months. These meetings eventually formalized and NAWBO received its articles of incorporation and Federal tax status in July of 1975.

NAWBO became much more than a networking group. The organization became a powerful, non-partisan grassroots advocacy organization. Within a couple of years, NAWBO formed chapters across the country and gained recognition as a professional business women's association. Today, NAWBO has over 80 chapters across the United States and another 13 chapters in formation.

NAWBO's founders, including Susan Hager and Gillian Rudd, understood the need for a powerful advocacy organization representing women business owners. In 1977, NAWBO began its successful path of active participation in influencing policy changes on the Federal level by testifying before the Senate Small Business Committee.

As the leaders of NAWBO learned how effective the organization was in causing change in public policy for the benefit of women business owners, expanded advocacy efforts began to train members on the importance of their voices as women business owners.

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NAWBO's platform of public awareness and training for members to become effective advocates began in 1983 when NAWBO held its first Public Affairs Days, chaired by Virginia Littlejohn, in Washington, DC. During Public Policy Days NAWBO educates its members on key issues impacting women-owned businesses, continues training on advocating small business issues before their Congressional delegations, and brings Congressional leaders to the events to brief attendees on current legislation, political initiatives and future policy trends.

III. Issues Program was Designed to Address

NAWBO's process for identifying issues of primary concern to women business owners is spearheaded by the organization's Public Policy Council and involves several consensus-building stages before issues are presented to the Board of Directors for approval. NAWBO's Vice President of Public Policy is an elected position for a term of two years. In 2000, each region of the United States was assigned a Public Policy Coordinator to work with chapter representatives in their geographic areas to keep all members advised on the state of policy issues and pending or enacted legislation. The Public Policy Council develops position papers on each of its policy initiatives along with key messages and statistics that can be used to communicate with policymakers.

In 2000, NAWBO has focused on six major policy issues. They include:

- ◆ Association Health Plans
- ◆ Education and the Workforce
- ◆ Procurement
- ◆ Taxation
- ◆ Technology
- ◆ Social Security

Each year, NAWBO publishes the position papers with updated information for distribution during Public Policy Days. The position papers are also posted on the Association's web site, www.nawbo.org. A continuous process of updating information and notifying members of the need for political action ensures year-round involvement of all NAWBO members in the public policy process through the use of a unique phone messaging system, email, monthly newsletters, and its nationwide network of public policy officials.

IV. Successful Elements of Program

The Public Policy Days event has become known as the annual launch of a renewed and retooled effort to affect change in the American policy debate on issues that affect women business owners. The event's success stems from the integration of several elements designed to meet the needs of both veteran and new policy advocates. Those elements are:

- ◆ Overview session describing current policy status and legislative actions.
- ◆ In-depth briefing session on each policy issue led by experts in both the private and public sector.
- ◆ Presentations from representatives of the current Administration and members of both the House of Representatives and Senate that comprise the American legislature.
- ◆ Orientation sessions for attendees new to public policy and constituent advocacy.
- ◆ Current, factual materials and guidelines for communicating with legislative officials as well as individual chapter members on the importance of each public policy issue to women business owners.
- ◆ Meetings of NAWBO state delegations with their elected officials in both the House and Senate.
- ◆ Feedback and evaluation process on meetings and overall event.

V. Success Stories

NAWBO's Public Policy Council has galvanized women business owners from around the nation in a concerted effort to implement legislation that creates a level playing field for all women entrepreneurs. Those efforts have resulted in several significant achievements.

NAWBO's greatest achievement in effective advocacy work was its leadership in driving the 1988 congressional hearings that resulted in the passage of HR 5050. HR 5050 was a monumental piece of legislation that NAWBO's late Past National President, Gillian Rudd, plus Hope Eastman and Virginia Littlejohn, helped to spearhead on NAWBO's behalf. NAWBO recognized the need for women entrepreneurs to be acknowledged as a driving force in the U.S. economy and demanded the attention of the United States government. HR 5050 created the Office of Women's Business Ownership's Women's Demonstration Sites within the U.S. Small Business Administration, and the National Women's Business Council (NWBC). The Demonstration Sites became the Women's

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Business Centers, and the NWBC has catalyzed Springboard 2000, the phenomenally successful women's venture capital fairs. The Presidential appointees to the Council, including NAWBO, have worked together to help thousands of successful and aspiring women entrepreneurs to realize their dreams. One of the largest contributors to NAWBO's success in affecting economic policy is through the statistics provided by its affiliated foundation, The National Foundation for Women Business Owners (NFWBO). Susan Hager, Gillian Rudd, and Laura Henderson, were instrumental in creating the Foundation. NFWBO performs research both within the U.S. and also internationally. They provide government officials, community leaders and members of the academic community with research and statistics revealing the dynamism and strength of the women business owner segment of the economy.

NAWBO leadership seeks to maintain a visionary focus. In 1984, recognizing the growing importance of international business and the global economy, NAWBO joined as the U.S. representative to Les Femmes Chefs d'Entreprises Mondiales. This affiliation resulted in NAWBO's participation in trade missions to London, Frankfurt, Madrid, Tokyo, and Mexico. NAWBO was one of the few business organizations to advocate for NAFTA, ahead of many of the other small business groups.

In 1986 and 1995, NAWBO mounted a grand showing of forces at the White House Conference on Small Business, and had more delegates than any other association. In preparation for the 1995 White House Conference, NAWBO held two Think Tanks with its members, authorities and pioneering practitioners in such fields as technology, human capital, labor law, community development, procurement, access to capital, and regulatory reform. From this Think Tank NAWBO garnered the best recommendations and amalgamated them with the ideas from leading futurists to create the organization's *2020 Vision: Entrepreneurial Policies for the 21st Century*. It was, and continues to be, NAWBO's hope that these policy recommendations would spur debate and contribute to the White House Conference on Small Business. NAWBO urged its member/delegates present at the Conference to be bold and innovative. NAWBO was a leader in the policy development and subsequent implementation efforts of both Conferences. The organization has special appointees to all ten of the task forces such as tax reform, technology, and procurement. NAWBO is still actively involved today in bringing to fruition the recommendations of the 1995 White House Conference on Small Business.

NAWBO representatives have often testified before the Committee on Small Business on the issues of women business ownership, procurement, and the 5 percent goals program in the Federal government for procurement contracts to women owned businesses. Currently only 2.3 percent of all Federal contracts are awarded to women business owners. NAWBO finds this an unacceptable level and is actively advocating that the Federal government consider more women in procurement opportunities.

Very recently NAWBO has reactivated its Political Action Committee (PAC). This separate but allied group seeks to identify and support candidates of any political party that are sympathetic with NAWBO's public policy positions. Another mission NAWBO and the PAC both support is the election of NAWBO members and other women entrepreneurs to political office at every level of government.

VI. Lessons Learned

During its first 25 years, NAWBO members have recognized how critical sound and equitable public policy is to the creation, sustainability and success of women owned businesses. They also recognize that a well-defined strategy of continuing efforts is essential to keep pace with the changes affecting global businesses of the future.

NAWBO has learned that a strong and continuing voice and vision for women business owners within the economic, social, and political communities is not only possible, but very effective. NAWBO public policy activities have developed leadership capable of creating a business climate that realizes “the integration of values, profits, technology, and people” – the cornerstone of its mission statement.

For further information about the National Association of Women Business Owners, please contact:

National Association of Women Business Owners Headquarters
1411 K Street, NW
Suite 1300
Washington, D.C. 20005
Telephone: (202) 347-8686
Fax: (202) 347-4130
Email: national@nawbo.org

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The National Foundation for Women Business Owners

I. Description of Program

The National Foundation for Women Business Owners (NFWBO) is a non-profit research institute, whose mission is to support the growth of women business owners and their enterprises by conducting research, sharing information and increasing knowledge. NFWBO has come to be recognized as the premier source of information on women business owners and their firms worldwide.

NFWBO provides original research and analysis to document the economic and social contributions of women-owned firms; consulting services to maximize the benefits of this knowledge; and leadership development for women who own growing enterprises.

II. Program History

The NFWBO was formed in the mid 1980s by members of the National Association of Women Business Owners (NAWBO) with which NFWBO is affiliated. The NFWBO has been active as a research, consulting and leadership development organization since 1989. While affiliated with NAWBO, the NFWBO has a separate Board of Directors and operates with independent funding, derived mainly from research project underwriting and corporate and individual support. It is a 501(c)(3) non-profit organization.

III. Issues Program was Designed to Address

The main activity of the NFWBO is designing and conducting research to document the economic and social contributions of women-owned businesses. The NFWBO also consults with corporations, policy-makers, financial organizations and educational institutions to assist them in interpreting and using NFWBO information to more effectively understand, communicate with and support women business owners. In addition, the NFWBO offers leadership development for women who own and lead growing businesses through its annual Gillian Rudd Leadership Institute.

Research

The NFWBO has conducted and published over two dozen studies in the past eleven years, covering such diverse topics as employee benefits offered by women-owned firms, the use of technology in based women-owned firms, management and decision-making

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women-owned firms, the characteristics and contributions of home styles of women and men business owners, and profiles of 50 leading women entrepreneurs worldwide. In addition to a body of U.S.-based research, NFWBO has conducted or collaborated on research studies in a number of countries outside the United States – Argentina, Canada, Ireland, Mexico, Russia and the United Kingdom among them. The NFWBO has also worked with international economic policy organizations, such as the Organization for Economic Co-operation and Development (OECD) and Asia Pacific Economic Cooperation (APEC) in analyzing the state of women's entrepreneurship internationally.

Consulting

To help corporations, financial institutions and other organizations better understand what these recent trends in women's entrepreneurship mean, and how they can be turned into market opportunities, the NFWBO also consults with these organizations in the area of communications (both with respect to maximizing the reach and visibility of its study announcements and in a broader market-wide context) and in marketing/sales strategy development and implementation.

Leadership Development

To assist established women business owners in dealing with issues of growth and organizational development, the NFWBO offers an annual leadership development program. Now in its ninth year, the Gillian Rudd Leadership Institute offers women who lead growing businesses the opportunity for reflection, learning and evaluation in a retreat-like setting. The Leadership Institute is held each fall and is limited to 20 attendees. Sessions conducted by leading management and consulting professionals discuss new ideas and trends in business leadership, and attendees grapple with a real issue in their business in "board of directors" sessions.

IV. Successful Elements

Although NFWBO conducts research, provides consulting services, and offers leadership development for growth-oriented women business owners, it is known most widely for its successful efforts in conducting and disseminating research-based information on the economic and social contributions of women business owners and their enterprises.

NFWBO's programs have been a success because:

- ◆ The studies it publishes are written in a clear, understandable and actionable format;
- ◆ Economic and statistical information are published so as to fill in the gaps between economic census years, which provides policy makers and others with more timely and up-to-date statistical information;
- ◆ The research NFWBO conducts goes beyond “the numbers” to reveal the challenges faced by women entrepreneurs, as well as the social contributions women business owners make to the fabric of their communities;
- ◆ The consulting services NFWBO provides are grounded in research-based information and insight;
- ◆ NFWBO reaches out and communicates its findings with a wide variety of people and organizations, including women business owner organizations, other non-governmental organizations, public sector departments and agencies, the press, policy-makers, corporate leaders, and the educational community.

V. Success Stories

NFWBO has catalogued several policy and programmatic successes that have been attributed directly to the research information provided by NFWBO. In general, the impact of NFWBO's research has been to put women business owners “on the map,” meaning that policies and programs have not only been more mindful of their impact on women business owners, but that specific initiatives have been formulated for women business owners and their enterprises. These programs have resulted in improved access to capital, access to training and technical assistance and access to markets — in the U.S. and beyond.

The following achievements have been made with the assistance of NFWBO research:

- ◆ **Access to Capital Dramatically Improved:** Wells Fargo launched first a \$1 billion loan fund and then a \$10 billion loan fund for women entrepreneurs; the first Small Business Investment Companies (SBICs) focusing on women-owned firms were licensed by the U.S. Small Business Administration.

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At United States Senate Small Business Committee hearings on women-owned businesses, Senators cited NFWBO data as the impetus for the hearings and their concern; the U.S. Bureau of the Census secured continued funding for the Survey of Women-Owned Business Enterprises (SWOBE) with input from NFWBO.

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- ◆ **Training and Technical Assistance Expanded:** Federally-funded training and technical assistance programs expand to more than 90 sites over a ten-year period; the U.S. Small Business Administration established its Online Women's Business Center web site to provide information and technical assistance to women business owners.
- ◆ **Public Policy Addresses the Needs of Women Business Owners:** At Senate Small Business Committee hearings on women-owned businesses, Senators cited NFWBO data as the impetus for the hearings and their concern; the U.S. Bureau of the Census secured continued funding for the Survey of Women-Owned Business Enterprises (SWOBE) with input from NFWBO.
- ◆ **Education Included Women Business Owners as Success Models:** Harvard Business School established a \$1 million project to develop case studies which featured successful women as protagonists, especially women entrepreneurs.
- ◆ **International Recognition of Women Business Owners as an Economic Force:** The Organization for Economic Cooperation and Development (OECD) in Paris established an initiative to develop standards for collecting data on small businesses with a gender component and to encourage its 29 member nations to collect this information; Asia Pacific Economic Cooperation (APEC) conducted a regional evaluation of the state of women's entrepreneurship in the Pacific Rim; the Canadian government launched a bilateral Canada-U.S. effort to expand international trade opportunities for women entrepreneurs.

VI. Lessons Learned

Over the past 11 years, the NFWBO has done more than any other organization to bring attention to the economic power of women-owned enterprises and to provide information to others who have used NFWBO's research to provide programs and services, advocate in public policy arenas, and empower women business owners. This success can be attributed to several factors:

- ◆ The vision and commitment of a core group of women business owners and other "champions," who provided start-up direction and seed capital for the organization;

- ◆ Conducting methodologically sound, independent research. In the face of low levels of awareness and some skepticism, it is critical to stake an initial claim with research that is unassailable, fact-based, and free of a particular point of view. And it will likely take a series of studies and reports before a critical level of visibility and awareness is achieved. Research should focus not only on the numbers (the who, what, where of women-owned firms – a critical first step in gaining attention), but also on the differences (comparing characteristics and concerns of women and men business owners), and the reasons why these issues are important;
- ◆ Information dissemination and interpretation is as important as conducting good, sound research. Summarizing the research in a clear, understandable manner is important, as is widespread dissemination of knowledge. It is also important to realize that the audience for such studies are not only the news media, but public policy makers, educational institutions, the business and financial community, and women business owners themselves;
- ◆ NFWBO's success could not have been achieved without the role that other organizations have played in helping to support and utilize the research. It appears – based on experience in the United States and from women entrepreneurial leaders in other countries – that the following are prerequisites for an organization such as NFWBO to succeed in other countries: 1) a strong women's association network and other non-governmental organizations that can take advantage of the research information; 2) corporations and financial organizations that will recognize women business owners as a market, and 3) public sector organizations that can coordinate efforts to address the needs of women business owners;
- ◆ Financial support for ongoing activities is as important as support for research. The NFWBO plays an important role as a clearinghouse for information, fielding inquiries worldwide from the media, government officials, non-governmental organizations, corporate decision makers, and women business owners. Such activities are not directly funded by the cost of research projects, so it is important to have support for organizational “overhead.” Corporate support has been a very important element of the funding for these activities;
- ◆ Finally, it should be pointed out that much can be accomplished by a small number of committed and dedicated people. As an organization, NFWBO is relatively small – with a staff of nine full-time employees and 2 part-time staff, and a budget of just over \$1 million USD. At its inception in 1989, NFWBO had just one full-time employee, and as late as 1995 it had just three.

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The National Foundation for Women Business Owners
1411 K Street, NW
Suite 1350
Washington, DC 20005-3407
Phone: 1-202-638-3060
Fax: 1-202-638-3064
Email: info@nfwbo.org
Web site: www.nfwbo.org

Women's Business Enterprise National Council

I. Description of Program

The Women's Business Enterprise National Council's (WBENC) goal is to foster diversity in the world of commerce. Its programs and policies are designed to expand opportunities and eliminate barriers in the marketplace for women business owners. WBENC works with representatives of corporations to encourage the utilization and expansion of supplier diversity programs.¹ WBENC advances the visibility and credibility of women business enterprises through its advocacy and public relations activities.

II. Program History

The Women's Business Enterprise National Council (WBENC), was created in early 1997 to meet the need for access to a nationally recognized standard of certification for women's business enterprises. Endorsed by corporations that recognize the benefit to their communities of eliminating market barriers, WBENC utilizes the networks and expertise of a coalition of local organizations whose collective mission can best be described as serving the business support needs of America's women-owned and operated small businesses. These local organizations, in addition to providing access to WBENC's certification process, help women to write business plans, obtain capital for growth and seek out new markets for their products and services.

III. Issues Program was Designed to Address

Our affiliate women's business organizations, currently 15 in number located throughout the United States, provide access to a nationally recognized standard of certification for women business owners and provide training and other resources – such as access to capital - to assist women's business enterprises (WBEs) to become more competitive.^{2,3} Through WBENCLink, an Internet accessible comprehensive database of these certified WBEs, WBENC provides a sourcing tool for corporations and government agencies looking for women-owned suppliers. WBENC assists its organizational partners through training and the provision of replicable programs such as B2B training for business owners.

WBENC also strives to eliminate stereotypes concerning women owned firms as well as increase their visibility and credibility by using data collected on corporate contracting practices. WBENC believes in

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providing positive recognition to corporations that do a good job at inclusion, WBENC encourages other firms to begin or improve their supplier diversity programs resulting in more business for women-owned firms.

IV. Successful Elements of Program

Certification

WBENC is a resource to its partner organizations, providing comprehensive certification procedures and procurement training materials as well as training for local staff and volunteers to carry out the certification process in an effective manner. WBENC is the nation's leading third-party certifier of women's business enterprises (WBEs). A nationally recognized and respected standard certification is the first key element in the WBENC program. The certification committee of WBENC has produced the certification standards and procedures manual that is available for review at the web site - www.wbenc.org. Women anywhere in the U.S. can easily apply for certification through the web site's interactive application.

Certification by WBENC through its national network of women business organization partners (WBOPs) offers the following benefits:

- ◆ Opportunity to play an instrumental role in increasing awareness of the pivotal position held by America's 9.1 million women-owned businesses in the U.S. economy, and the importance of WBEs achieving equity in procurement opportunities by expanding marketing opportunities for businesses 51 percent owned and operated by women and certified through WBENC.
- ◆ National recognition by more than 400 major U.S. corporations and state and local government agencies as a certified WBE.
- ◆ Access to a current list of supplier diversity and procurement executives at more than 400 major U.S. corporations and other entities that accept WBENC's certification.
- ◆ Automatic inclusion in WBENCLink, WBENC's Internet database of certified WBEs, which is accessible to WBENC's corporate members and selected government agencies.
- ◆ Use of the WBENC member seal on marketing materials, which identifies the women's business enterprise as certified through WBENC's national network.
- ◆ Eligibility to nominate corporations, women business owners, government agencies and individuals for the WBENC Applause Awards, which recognizes "barrier breakers" who expand business opportunities for women business owners with a significant, first-time ever contribution that furthers the mission of WBENC.

- ◆ Eligibility to nominate a corporation for participation in WBENC's Search For America's Top Corporations For Women's Business Enterprises (WBEs).
- ◆ Eligibility to participate in annual surveys that track the changing environment for WBEs.
- ◆ Eligibility to participate in e-mail information network.
- ◆ Eligibility to participate in WEBuy@wbenc.org a B2B trading program.
- ◆ Eligibility to exhibit at national and regional business expos.

The WBENC Board of Directors, Leadership Council, Women's Enterprise Leadership Forum members and staff participate in training programs throughout the country that provide information to groups of women business owners on how certification can validate the credibility of their firms and provide them with new marketing opportunities.

Corporate Participation

WBENC's corporate partners are responding proactively by implementing new programs and strengthening existing programs that provide opportunities for WBEs. These corporations are the driving force behind WBENC and have partnered with experienced, professionally administered women's business organizations throughout the country and WBEs who represent the strengths of women-owned businesses as well as present their needs and challenges.

WBENC is a strong and diverse coalition whose governance structure is grounded on these three legs: the corporations that hold 2/3rds of the seats on the board of directors and provide insight into the needs of corporate America; the Leadership Council that represents the women's business organizations that have pledged to use the WBENC standards and submit to annual reviews of their procedures and results; and the Women's Enterprise Leadership Forum, representing the certified WBEs from around the country. Corporate members and certified businesses have unlimited access to WBENCLink, an Internet database of certified women-owned businesses. Through WBENCLink, WBENC provides a valuable B2B resource for WBE suppliers and corporate purchasers.

Committees of the Board are working to extend outreach, increase visibility, refine procedures and train partner organizations to effectively implement certification and business enhancement programs. WBENC actively invites participation in this progress. WBENC has come a long way in its short history and continues to rely

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on the expertise and suggestions of its corporate members to improve programs and processes. Eighty-five corporations now participate as active WBENC members. More than 400 accept the WBENC certification for participation by WBEs in their supplier diversity programs.

Organizational Support

Currently, WBENC has fifteen fully operational Women Business Organization Partners (WBOPs), that have pledged to use the WBENC standards and submit to an annual review of their procedures and results. These WBOPs provide certification, offer programs to enhance women business enterprise procurement opportunities and participate in the Leadership Council. WBENC is eager to expand its network of WBOPs and encourages local nonprofit organizations that wish to offer WBENC certification to women business enterprises within their communities to seek affiliation.

Eligible partners are nonprofit organizations that may currently exist with a client base of women entrepreneurs; or they may be new organizations formed specifically to seek WBENC affiliation. All organizations that are accepted for WBENC partnership must agree to a Memorandum of Understanding specifying their acceptance of WBENC Standards and Procedures and the guidance of WBENC staff on the implementation of programs and training for local program staffs. WBENC also provides the training for local certification and appeals committee.

Advantages gained by WBENC affiliation are:

- ◆ Start-up assistance and training for staff and volunteers.
- ◆ Access for local clients to a nationally recognized and accepted certification.
- ◆ Participation in allocation of funding from national corporate WBENC members.
- ◆ On-line interactive WBENC certification application.
- ◆ Recognition of organization on the WBENC website.
- ◆ Access to WBENCLink, WBENC's online database of certified WBEs.
- ◆ Participation in the Leadership Council.
- ◆ Opportunity for local WBEs to participate in the national Women's Enterprise Leadership Forum.
- ◆ Greater national exposure for local programs.

The executives of WBENC's women's business partner organizations form the Leadership Council. Providing a forum for discussion, the Leadership Council serves as a creative hub for sharing ideas and initiates policy recommendations to be considered by the Board of Directors.

Leadership Forum

The *Women's Enterprise Leadership Forum* (Forum) represents women's business enterprises (WBEs) and provides insight into the needs and challenges of the women business owners served by WBENC. The mission of the Forum is to promote, translate and advocate the needs, issues and benefits of women's business enterprises and to facilitate corporate and supplier business opportunities for WBE members of WBENC.

Through their representative women business owners from across the country, the Forum will provide practical information and policy recommendations to the Leadership Council and the Board of Directors. The Forum will conduct surveys to analyze the needs of WBEs and recommend replication of programs that WBENC partners have implemented to enhance and promote business opportunities for WBEs.

Membership in WBENC's local Women's Enterprise Leadership Forum offers the opportunity to:

- ◆ Collaborate with other women's organizations to pool power and build a broader power base from which to impact positive change in the business community.
- ◆ Access to regional and local corporations and local offices of national corporations with inside information on how to do business with Corporate America.
- ◆ Provide input to WBENC's National Women's Enterprise Leadership Forum on local issues and topics of importance to women's business enterprises.
- ◆ Provide input to corporations about supplier diversity "Best Practices."
- ◆ Network with other successful WBEs.
- ◆ Work with corporate representatives and other WBEs on mentoring programs.

Membership in WBENC's National Women's Enterprise Leadership Forum offers to opportunity to:

- ◆ Have your name and corporation included on WBENC's Web Site.

The Women's Enterprise Leadership Forum (Forum) represents women's business enterprises (WBEs) and provides insight into the needs and challenges of the women business owners served by WBENC.



The mission of the Forum is to promote, translate and advocate the needs, issues and benefits of women's business enterprises and to facilitate corporate and supplier business opportunities for WBE members of WBENC.

United States Case Study : Successful public and private sector initiatives fostering the growth of women's business ownership.

On October 2, 2000, WBENC named 16 companies as America's Top Corporations for Women's Business Enterprises (Top Corporations). This marks the second consecutive year for the Top Corporations list, which is based on WBENC's annual survey and analysis of corporate best practices in supplier diversity programs for women's business enterprises (WBEs).

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- ◆ Attend quarterly meetings where you will work closely with WBENC's Board Members and Board committees on policies and programs.
- ◆ Receive a monthly mailing on current procurement and certification issues.
- ◆ Hyper-link from the WBENC Web Site to your corporate Web Site.

Best Practices and Research

WBENC has been examining best practices in corporate America, since its inception, that lead to increased opportunity for business owned and controlled by women.

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Five "Best Practices" were highlighted in the survey: (1) leadership from the CEO, (2) outreach to an expanding pool of WBEs, (3) training of supplier diversity personnel, (4) policy structures that provide access to the corporation for WBEs, and (5) dissemination of information on the program and its results. Questions were grouped to elicit information on the scope of implementation in each of these five areas.

The "*Search for America's Top Corporations for Women's Business Enterprises*" continues the work of WBENC to examine best practices in corporate America that lead to increased opportunity for businesses owned and controlled by women. In February of 1998, WBENC was asked by the Women's Economic Summit to begin a year-long investigation of strategies for enhancing market opportunities for women-owned businesses. The research conducted as part of that project formed the basis for the survey. An Advisory Council comprised of representatives from corporations, government agencies as well as women business owners, provided input for the study. Its results have been used by WBENC to craft its programs and policies.

V. Success Stories

While the survey was based on specific best practices, WBENC learned that responding companies also attributed new and specific

notable practices to driving results. WBENC, therefore, promotes these “Best Practices” as providing guidance to other companies eager to enhance their own Supplier Diversity Programs. A few examples follow:

In the past two years, Motorola has done business with over 3,000 women-owned businesses and fourteen of them have received over \$1 million in business just in the first six months of 2000. In its effort to spend 5 percent of its procurement dollars with WBEs, Motorola offers “Quest for Quality” daylong workshops to women’s organizations and also provides training scholarships to Motorola University.

At SBC Communications, the 1999 WBE spending goal was 5 percent of the company’s purchasing base, WBEs actually received 10 percent, or \$772 million, of that base. This represents a staggering 34 percent increase from the previous year. In addition to 25 dedicated supplier diversity staff led by the Executive Director, Supplier Diversity Programs, Joan Kerr, SBC’s Chairman and CEO, Ed Whitacre, Jr. is personally involved with this important initiative. In addition to receiving weekly reviews from his direct reports that include supplier diversity accomplishments and to ensuring that all key officers receive monthly written feedback on their organization’s WBE performance, Mr. Whitacre also participates in the annual Procurement Supplier Partner Program that recognizes the company’s top suppliers – this year including nine WBE companies. In addition to mandatory supplier diversity training and mandatory third party certification, SBC goes the extra mile by providing scholarships for WBEs to attend top-rated programs at UCLA and other universities to enhance their competitiveness and position them for growth. The company also offers an impressive mentor- protégé program further ensuring that WBEs are given the opportunity to participate in SBC’s business.

VI. Lessons Learned

- ◆ The Women’s Business Enterprise National Council created specifically to provide a service to corporations and women business owners – a nationally accepted certification – has become a well-respected advocate for increased opportunities for women business owners in both the private and government sectors.
- ◆ By expanding its programs to research of corporate best practices, WBENC is affecting change in corporate purchasing behavior. In just its second year, the corporate survey is producing behavioral changes in corporate supplier diversity practices and we have seen a significant increase in best practice implementation this year. As

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- ◆ By expanding its programs to research of corporate best practices, WBENC is affecting change in corporate purchasing behavior. In just its second year, the corporate survey is producing behavioral changes in corporate supplier diversity practices and we have seen a significant increase in best practice implementation this year. As with the work of the National Foundation for Women Business Owners, the wide-spread dissemination of research results has proven to be as important as the research itself.
- ◆ While trying to assess the current state of best practice implementation, WBENC was, in fact, also describing a model program. Therefore, many corporations implementing supplier diversity programs or adding women business owners to programs designed to reach out to minority-owned businesses, could use this model as a guide. Indeed, at least three major firms are utilizing WBENC's corporate best practices to launch programs.
- ◆ WBENC's strength and rapid growth can be attributed to the dedication, commitment and work product of our partners – corporations that support and accept the certification and the women's organizations that provide the programs and services throughout the country.
- ◆ Focused use of technology resources has allowed for rapid expansion and availability of programs. From its inception, WBENC has relied on the Internet to promote its objectives and deliver its programs. An interactive application allowed us to reach business-owners throughout the country while we were building and training our network of "on the ground" affiliates. The Internet database of certified businesses provided a "B2B" sourcing tool before that term had even come into general useage. E-mail list serves have provided the opportunity for an exchange of ideas throughout the network, not just the leadership. Each certified business owner and corporate member has the ability to provide input and share challenges and suggestions. The list serve is now providing a platform to widely disseminate requests for proposals and other business opportunities. These same tools are allowing women business owners to expand their markets. Those companies that may have

only done business locally, can now market their products and services throughout the United States, and, in the case of our international corporate members, throughout the globe.

For further information about the Women's Business Enterprise National Council, please contact:

Women's Business Enterprise National Council
1120 Connecticut Avenue, NW
Suite 950
Washington, DC 20036
Phone: (202) 872-5515
Fax: (202) 872-5505
Website: info@wbenc.org

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Notes:

1. "Supplier diversity" programs in the United States date back to the early 1970s and were originally initiated to provide increased opportunities for growth for minority owned businesses. As women owned firms increased in number in the late 1980s and they began to experience some of the same barriers to entry as had been experienced in the minority community, many corporations added women-owned firms to their existing programs.
2. A "Women's Business Enterprise" is a company that is 51 percent owned, managed and controlled by one or more women.
3. Inclusion of women-owned firms in these special programs necessitated the implementation of a certification program to assure corporations that the businesses participating were those in the "class" intended to receive this consideration.

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