



EUROCHAMBRES WOMEN NETWORK

Women entrepreneurship and the pandemic: challenges and solutions 1 year on

February 2021

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The Covid-19 pandemic surely represents one of the biggest challenges that businesses have encountered in the last 50 years or more. In particular, businesses led by women are paying a high price across Europe.

This is so for two main reasons. First of all women-led businesses are mainly SMEs. The prevailing globalisation had already made it more difficult for small and medium enterprises to thrive and find their market share, especially in sectors where larger operators dominate.

Moreover, SMEs have relatively limited resources and little margin to absorb the impact of unforeseeable circumstances or to survive long periods of inactivity. Lockdown measures, together with the restrictions of movement applied to different degrees around Europe, have obliged businesses to limit their activities and erode their savings just to survive.

Secondly, the current crisis has simply exacerbated a situation that was pre-existing: no shortcut is provided to a woman in business, on the contrary she always has to prove her value, to get credit, to earn the confidence of investors, to be considered a reliable market player.

Furthermore, a large majority of women remain exclusively or mainly responsible for care and households tasks. Working from home, which almost everyone has needed to adopt in recent months, has not made things easier for a women already struggling to keep their business going.

With this survey, we intend to shed some light on the nature and scale of those problems and suggest possible solutions. I sincerely hope that the findings from this survey heightens awareness of the situation of women entrepreneurs across Europe and helps to ensure the support that they need in order to recover from the current crisis.

Yours,



Chair, EUROCHAMBRES Women Network



A lot has been already said, and a lot more will be said on the impact of this pandemic on the business environment.

The entire community of economic players is still struggling to find a way of surviving and even when the spread of the Corona virus will be under control, there will be a lot to do to get back to pre-pandemic levels.

Still, the position of women entrepreneurs deserves a specific analysis, taking into account the specificities of their situation already in the pre-pandemic business environment.

The survey ran for a one month period from late January to late February 2021. 536 replies were received from 20 countries throughout the European Union and beyond.

The businesses of the respondents cover all of the sectors indicated in the response form, including both the provision of services and the production of goods. The most represented sector is the provision of financial and professional services (24% of respondents), followed by commerce (15%) and hotel, tourism and catering (10%). In fourth place, with 8% each, are 3 sectors: education, health services and communication. These are all typically sectors where women are involved, underlining that much still needs to be done to ensure a more equal representation of women across all business sectors, even in those professions typically reserved to men (e.g. STEM).

After these contextual questions, the survey addresses the heart of the analysis, focusing on three main points, corresponding to three different sets of questions: how the pandemic has influenced the digitalisation processes of the business, measuring the impact of the pandemic on different stages of the business activity and the effects on the work/life balance of certain measures taken by the governments to deal with the spread of the Corona virus.

It was important to understand whether the pandemic has accelerated the digital transformation of women entrepreneurs' companies.

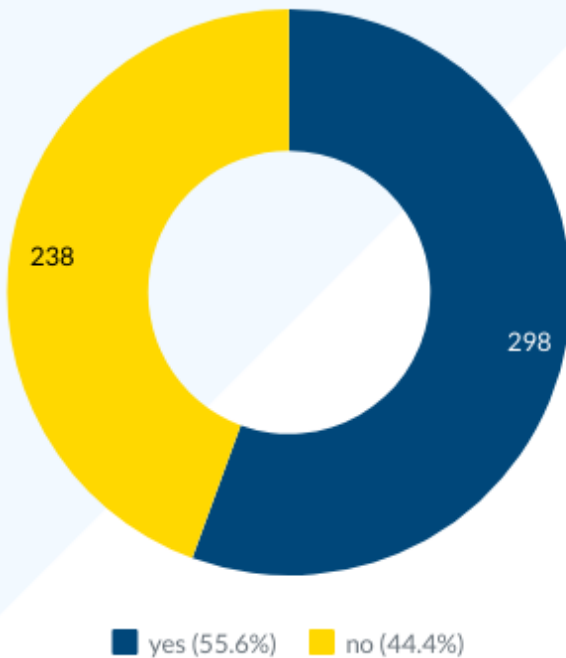
Beyond this, the survey aims to gauge four main aspects of the impact of the pandemic on business activity:

- Daily managerial activities
- The supply chain
- Access to credit and cash liquidity, and
- Export/import activities.

One issue that certainly pre-exists the spread of the Corona virus is the difficulty, for women entrepreneurs, to reach and maintain a correct work/life balance. Women are still the main providers of family care and household tasks everywhere across Europe and this has an inevitable impact on their working activities. Confinement measures imposed by governments and the consequent home working adjustments have enhanced this problem. Women are struggling to find a new balance and to avoid being overwhelmed by the increased overlap of work and private time.

The survey ends with two questions to determine if the respondents have made use of support measures offered by public authorities in relation to the pandemic, and if this support is considered sufficient. Here, the intention was to understand if the measures taken, even when of general nature and not specifically focusing on women entrepreneurs, helped to alleviate the specific problems that pertain to a woman-led business.

Conclusions can be found at the end of the report, focusing on the main findings of the survey in order to suggest the areas where more support is needed to allow women entrepreneurs to recover from the current crisis and contribute to the economic recovery.

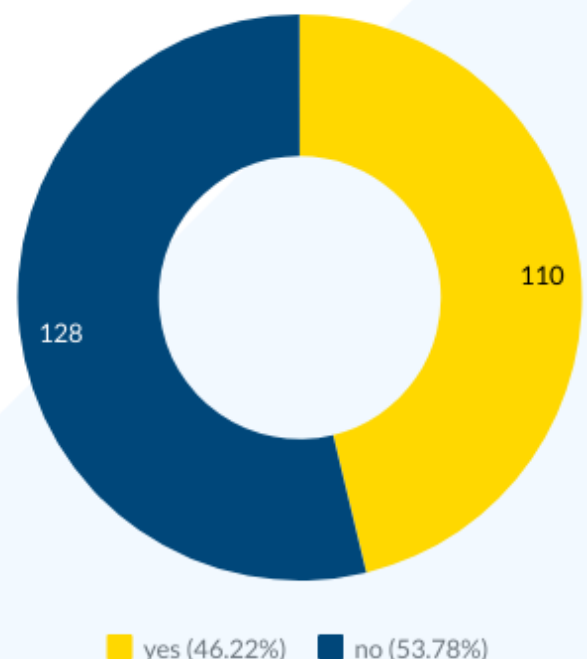


Already online before pandemic

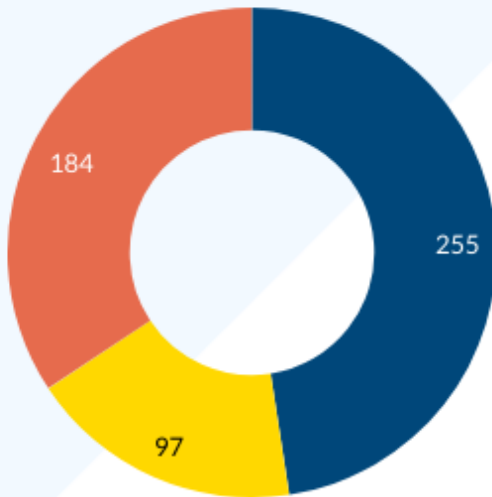
The graphic shows an almost equal distribution between businesses that were already offering their services or products online before the pandemic and those that were not. Specifically, 55% of women-led businesses were already present online, a higher proportion compared to the overall presence of businesses online in the EU-27*.

Started online because of the pandemic

Among those who were not offering their services or products online before the pandemic, nearly 50% have now started to do so. Starting from scratch certainly implies increased challenges, but even those businesses with some previous online presence will in many cases have encountered problems in adapting their offer to the considerable constraints of operating during the pandemic, as will be shown below.



*see Eurostat: https://ec.europa.eu/eurostat/statistics-explained/index.php/Digital_economy_and_society_statistics_-_enterprises#Enterprises_engaged_in_e-commerce



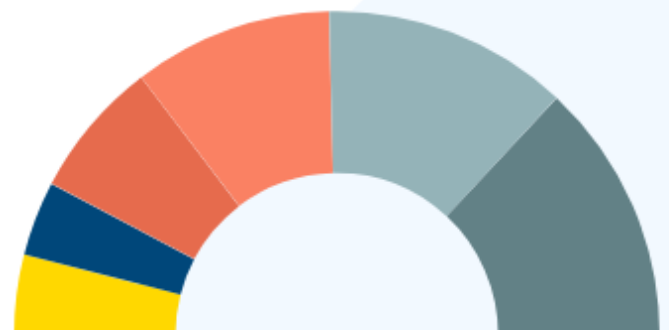
- yes, due to additional care/households duties (47.57%)
- no, lockdown allowed me to better manage my time (18.11%)
- no, no additional tasks for me (34.33%)

Lockdown measures made it more difficult to carry on my business

Nearly half of the respondents are dealing with more care and/or household tasks due to the lockdown and confinement measures. Interestingly though, 18% claim that home working has allowed them to manage better the division between work and private life tasks. This indicates that, under certain conditions, home working may be beneficial for those who are in charge of family care tasks.

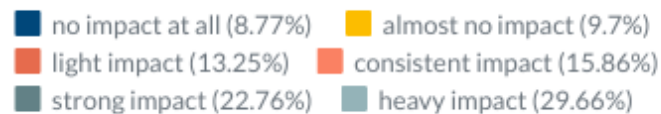
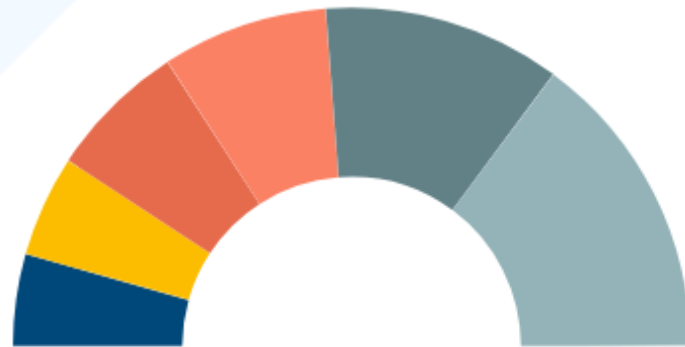
Impact of the pandemic on life-work balance

From the graphic it is clear that the overall majority of respondents have been heavily impacted by the pandemic when it comes to the work-life balance. The main cause of this, again, is certainly lockdown measures and the consequent home working conditions, in some cases combined with parallel distance learning measures for school and/or nursery aged children.



- no impact at all (8.02%)
- almost no impact (7.46%)
- light impact (13.81%)
- consistent impact (19.96%)
- strong impact (24.63%)
- heavy impact (26.12%)

Impact on normal managing activities

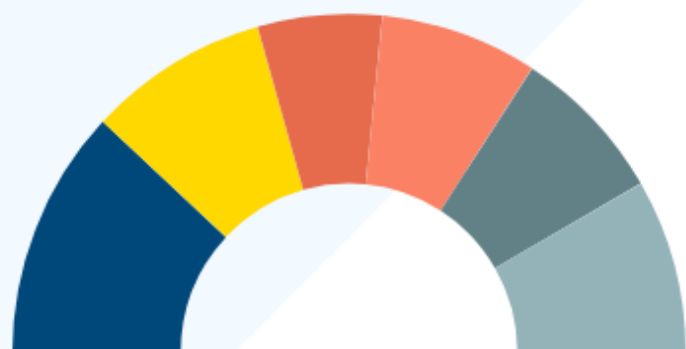


Similarly to the work-life balance dynamics, the vast majorities of respondents have encountered a significant disruption to their daily managerial tasks (68% specify a consistent to heavy impact).

Only in three sectors (fisheries and shipping, utilities such as gas, water and electricity, and oil and gas production/refining) did respondents indicate that the pandemic has not had a significant negative impact on the business. Across all other sectors, the survey reveals a strong to heavy impact for a high proportion of businesses: values vary from at least one third of businesses to a striking 77% for textile, clothing, leather, footwear, and 81% for hotels, tourism and catering. Responses from businesses involved in transport related activities suggest that this sector has also been heavily impacted.

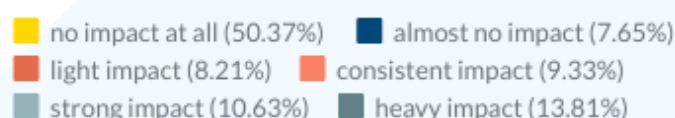
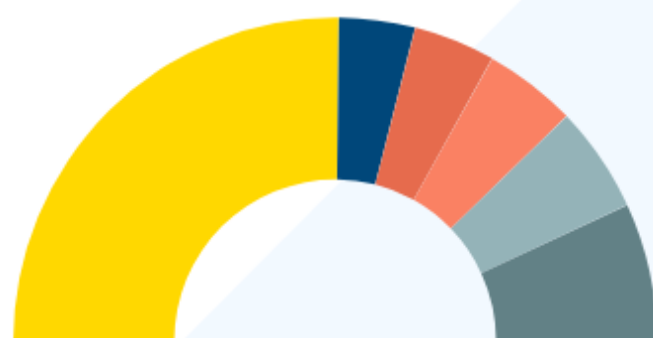
Impact on supply chain

The chart indicates that approximately 24% women entrepreneurs have felt no impact from the pandemic on their supply chain. If we add to those the entrepreneurs who considered this impact to be negligible, then the figure rises to 41% of respondents. The two sectors where the impact has been heaviest are metal production (71% strongly or heavily impacted) and hotels, tourism and catering (68%). In the majority of the other sectors, though, supply chain disruption has not had a significant effect on businesses.



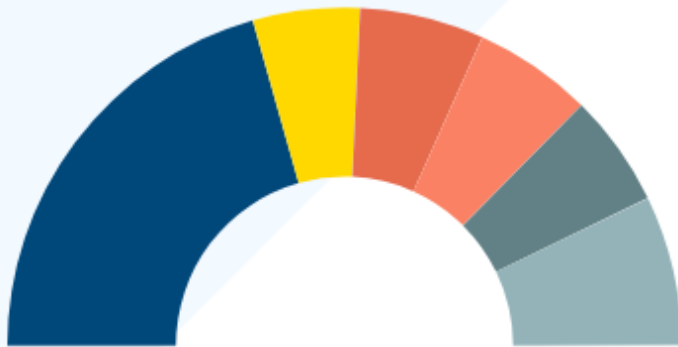
Impact on import/export

Similarly to supply chains, a significant percentage of respondents have not experienced a major effect on their import/export activities. Indeed, 50% declare that the pandemic had no impact at all in this regard. All respondents from the transport and utilities sectors logically indicated no impact, with entrepreneurs involved in financial/professional services (77%) and education (75%) also indicate a limited impact, reflecting the fact that that these two sectors are able to deliver their activities to a large extent using digital tools.



Impact on access to credit

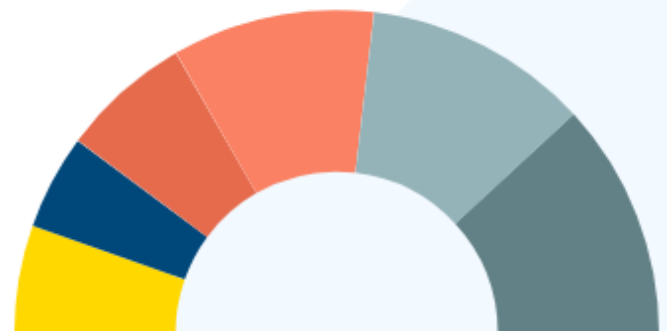
According to the majority of respondents (63% replying no impact, almost no impact and light impact), the pandemic has not significantly disrupted the process of accessing credit for women-led businesses. While this may be considered positive, it is worth bearing in mind the low bar pre-pandemic in relation to access to credit for women entrepreneur from financial institutions or other sources.



- no impact at all (41.23%)
- almost no impact (10.26%)
- light impact (11.94%)
- consistent impact (11.38%)
- strong impact (10.82%)
- heavy impact (14.37%)

Impact on cash liquidity

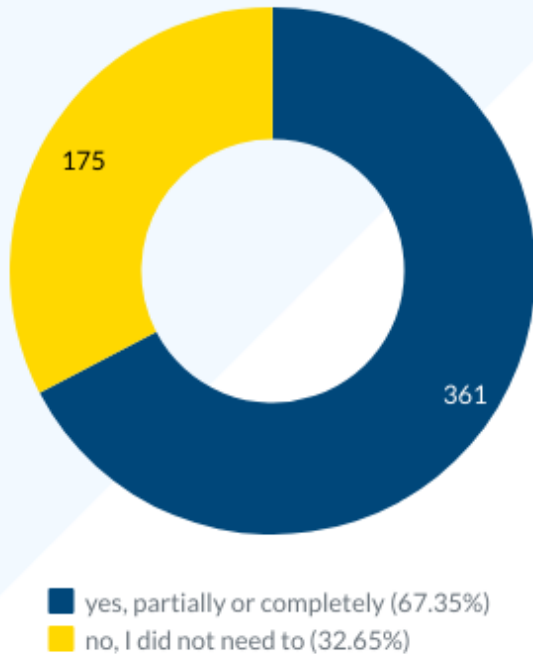
A striking 87% of women entrepreneurs in the tourism, hotels and catering sector are suffering from a shortage of cash liquidity (strong or heavy impact of the pandemic). Overall, in almost all sectors, an average of 50% of respondents declared that the pandemic is having a significant effect on their cash liquidity. Conversely, in certain specific sectors such as mechanical and electrical engineering, mining and chemical industries, cash liquidity has not been impacted.



- no impact at all (10.82%)
- almost no impact (9.51%)
- light impact (13.06%)
- consistent impact (20.34%)
- strong impact (22.57%)
- heavy impact (23.69%)

EFFECTS ON BUSINESS MODEL

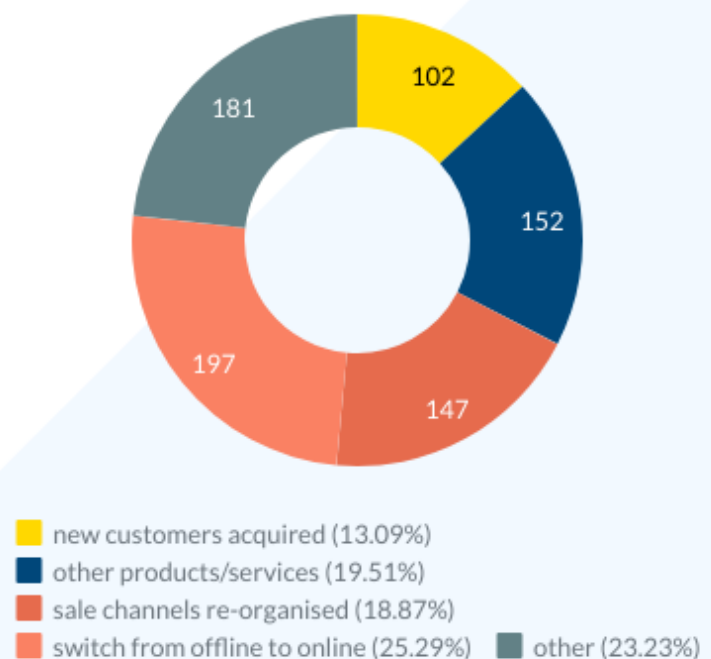
Business model adaptation in response to the pandemic



The graphic shows that approximately two thirds (67%) of women entrepreneurs have adapted their business model in response to the pandemic. Although the remaining one third declared no adaptation, all businesses with very few exceptions have had to adjust to some extent. The individual entrepreneur's assessment of whether such adaptations impact on the overall business model is subjective. Strikingly, a high proportion (45 out of 175) of businesses created in the last 5 years did not consider that they have had to adapt their business model in response to the pandemic.

How has the business model been adapted?

The main transformation applied by respondents is the switch from offline to online activities. Although many respondents were - according to another question in the survey - already offering their services and products online before the pandemic, this response indicates that the women's businesses have significantly enhanced their digital presence since confinement measures were introduced.



EXAMPLES OF BUSINESS MODEL ADAPTATION

1 PARTIALLY/TOTALLY ONLINE

The digitalisation processes involved different aspects. From the most common offer of services or products online to the adoption of software to be integral to the production process. 196 replies mentioned this.

2 RE-ORGANISE ACTIVITIES

Those adaptations concerned the core activities of the business such as revising targets, offering additional services or products, expanding to other sectors. In some cases, entrepreneurs adopted a completely new business concept. 66 replies.

3 SCALE DOWN

This is more directly linked with a decrease in clients, sales and of the business activity in general. These businesses accepted less orders, focused on smaller clients or local markets, or had to dismiss staff. In some cases, the fall in activities was so significant that the business had to permanently close. 42 replies.

4 RE-ORGANISE SALES CHANNELS

The most evident example of this is the introduction of take away and delivery options, but also the shift from wholesale markets to retail and vice versa, opening their businesses to foreign markets and, more generally, the search for new customers. 32 replies.

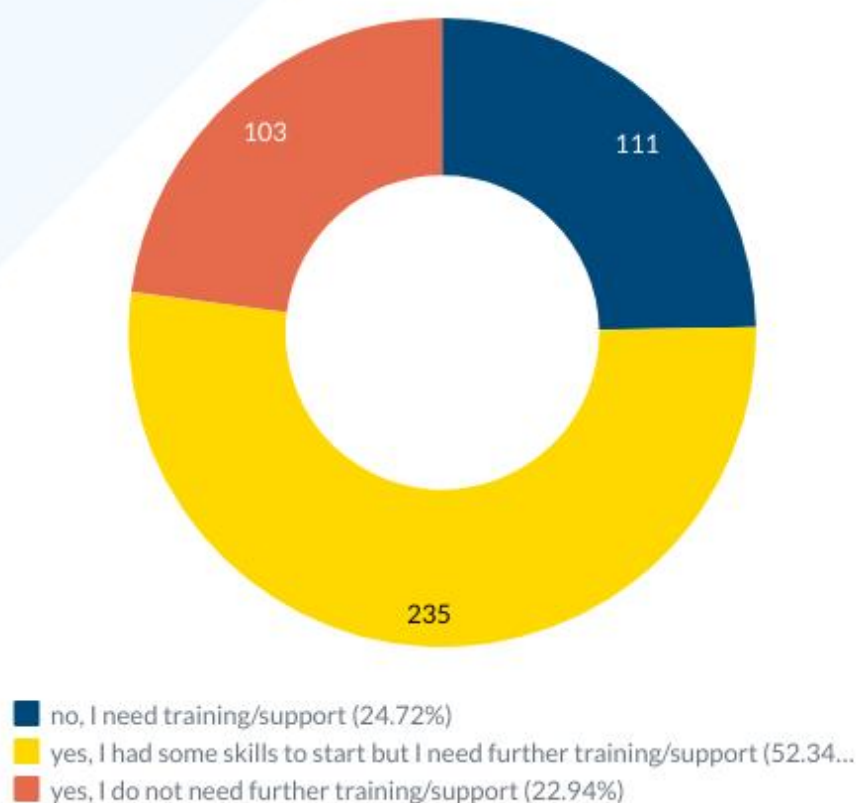
5 COMMUNICATION/MARKETING

There is a direct link here with point one as a significant switch to online activities has clear implications for communication and marketing. But in some cases, the entire communication or marketing strategy has been adapted in response to the pandemic. 23 replies.

6 FINANCIAL ADJUSTMENTS

Entrepreneurs struggling financially because of the pandemic decided to minimise investments and plan for the short term. Some decided to accept only payments upfront and others decreased the price of the products/services offered. 14 replies.

Did you have the digital skills to adapt your business model



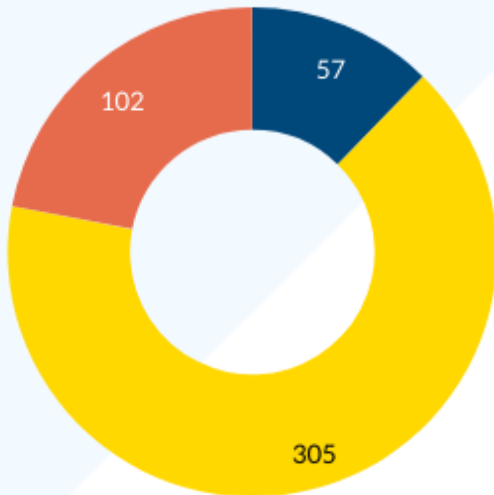
In order to be able to assess in a precise way what the real impact of the pandemic has been on accelerating the digitalisation processes of enterprises, it is important not only to gauge which companies were already digitalised to a sufficient level before the current crisis, but also to see if those who transformed their businesses digitally in reaction to the pandemic did so based on a good knowledge of the processes and skills involved.

In some cases the pandemic has in fact only accelerated processes that women entrepreneurs had already foreseen, and for which most probably the preparation phase already included the need to have some digital knowledge. In other cases, the pandemic has compelled the entrepreneur to initiate rapid digital transformation of the business without having the skills available; swift adaptation has been pursued more as a necessity to survive than as part of a strategic process.

In both cases, the women entrepreneurs acknowledge a need to strengthen digital skills within the business to develop the digitalisation processes and make them sustainable.

Will you review your business model in light of the temporary changes

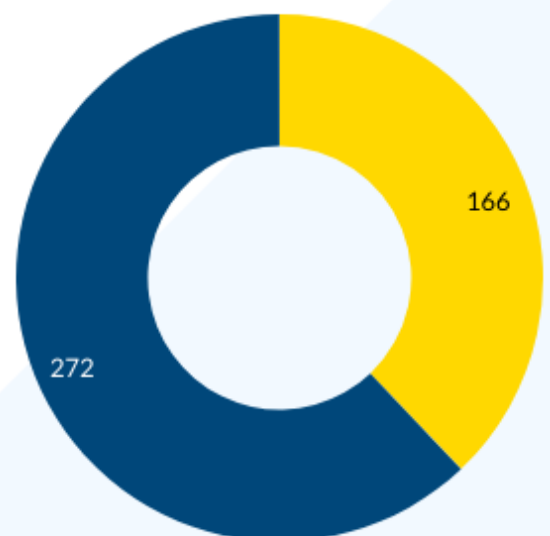
This graphic relates only to those who indicated that they have adapted their business model in response to the pandemic. Of these, a small minority intend to revert to the previous business model once the current emergency measures are lifted. The other entrepreneurs intend to build on the changes made during the pandemic and integrate at least some of the short-term adaptations into the longer term business model.



- no, I will go back to the old business model (12.28%)
- yes, I will keep some changes (65.73%)
- yes, I will change the business model completely (21.98%)

Have you changed your vision on doing business

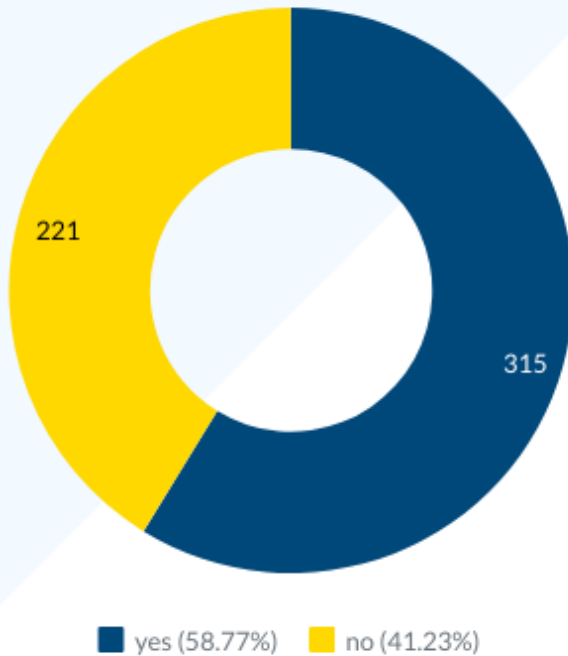
Two thirds of the total (excluding those who did not adapt their business model) have a new vision for their business as a consequence of the experience during the pandemic. The business vision is a more abstract but also a more inclusive concept than the simple adaptation of the business model. The vision involves also future choices by the entrepreneurs, maybe not even temporarily applied or 'tested' during the pandemic, but still resulting from a general revision of certain dynamics. It is clear that for many women entrepreneurs, the experience during the pandemic is leading to a broader reflection on their business strategy.



- no, I still believe in my old vision (37.9%)
- yes, I have a new vision on how to do business (62.1%)

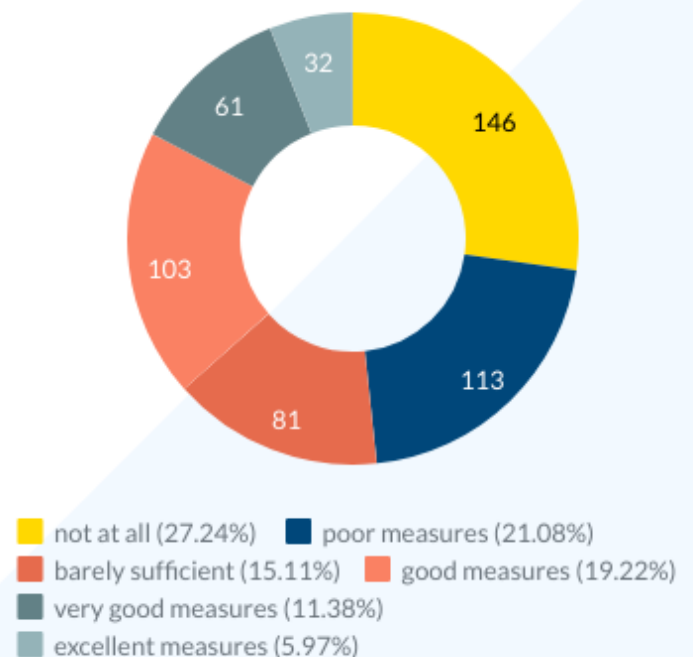
Have you benefitted from measures / support from your government?

Nearly 60% have benefitted from government measures or support to mitigate the effects of the pandemic. Of the remaining 41%, it is not clear if they were not eligible for those measures or if they chose not to apply for them. All respondents replied to this question, indicating that measures were introduced in every country.



Were the measures sufficient?

Approximately 63% were not satisfied with the measures taken by their governments. At the date of publication of this report, many governments in Europe are still adopting additional measures or in some cases rolling out those already agreed upon earlier in the pandemic. This could have triggered those negative replies. It has to be considered, though, that women entrepreneurs have specific needs in certain sectors (e.g, when it comes to work-life balance) that are not always taken into account in support initiatives. This evaluation may therefore be considered as a reflection of the adequacy of measures in tackling specific challenges encountered by women entrepreneurs.



If decision makers want to effectively address the challenges that women entrepreneurs are facing due to the pandemic, they should focus on:

Digital skills

Although the online presence of women-led businesses is above the overall average, there is still a long way to go. Not only in helping those who lack skills to initiate digitalisation processes, but also those who have already begun but need further training to complete the transformation or to embed it in the business.



Better quality measures

Women entrepreneurs expect more. Certainly from a quantitative point of view (more support measures), but also from a qualitative one. Lawmakers should target the support offered in order to make it really effective and ensure that the needs of women entrepreneurs are properly addressed.



Work-life balance

One of the most challenging aspects of a working woman is finding the right work/life balance. When we think about women entrepreneurs, this balance is even more precarious, as for a self-employed person the management of their time is per se more complicated. Homeworking measures during the pandemic have exacerbated this for many women entrepreneurs. On the other hand, the survey results show that there could be certain conditions according to which an enhanced flexibility of the workplace could support women in charge of the majority of household/care duties. Policy-makers should look into those conditions in order to re-equilibrate certain distorted dynamics.

Sustainable transformation

Women entrepreneurs have demonstrated resourcefulness, resilience and flexibility during this crisis. Many in fact are building on the adjustments that they made in response to the pandemic and integrating aspects of them in the longer term business model. In order to be able to do so, they will need targeted support and training, to ensure that the proper skills, knowledge and resources are available to ensure successful business transformation and long-term sustainability.



LET'S GET IN TOUCH



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