

Fostering Growth of Women-Owned Enterprises

An Interview with **K. Shelly Porges**,
Senior Advisor, Global Women's Business Initiative, U.S. Department of State

EDITORS' NOTE *After a long career as both a corporate executive and entrepreneur, Shelly Porges was most recently Board Chair of a nonprofit, Count Me In for Women's Economic Independence. She also founded Global Payments Experts. Her career in finance and marketing includes serving as Chief Marketing Officer with Scudder Weisel Capital, among other online firms, and as an executive with Bank of America and American Express. She has taught at Georgetown University's McDonough School of Business and has a Master's degree from Cornell's School of Hotel Administration.*



K. Shelly Porges

ORGANIZATION BRIEF *The Global Women's Business Initiative, which promotes gender equity for prosperity, was launched to promote the success of potential high growth, high impact women-owned enterprises to foster growth in GDP and jobs globally.*

Would you give an overview of the Global Women's Business Initiative and how you define its mission?

Our mission is to foster the growth of women's or women-owned enterprises globally in key geographies.

What approach are you taking to your development programs?

We're approaching it in three major ways. The first is to provide access to the resources that women entrepreneurs need through the Global Entrepreneurship Program. We do this by ensuring that there is an outreach to the women's business communities so they can gain access to this great assemblage of resources.

The second is to engage with a number of multilaterals that are working on women's entrepreneurship. For example, the OECD has an initiative in the Middle East that we're involved with. We recently completed a major initiative with African women that is part of a trade agreement the U.S. has with Africa called the African Growth and Opportunity Act or AGOA. The head of our office, Lorraine Hariton (Special Representative for Commercial and Business Affairs-Bureau of Economic, Energy and Business Affairs, U.S. Department of State) also led a delegation to

Tokyo in September for the Women Leaders Network as part of the Asia-Pacific Economic Cooperation Forum. And we have other major initiatives planned for Latin America and India.

The third approach we're taking is one that has worked really well over the past 10 years in integrating women from the U.S. into the global economy and getting them to work with American multinationals. Over 10,000 women-owned businesses have been certified to do business with American

multinationals, and that has created literally billions of dollars of business for these certified businesses. We're now taking that model to other countries.

Do you find that you have support from the governments in those countries?

We do. This year, we even got women on the agenda of a major meeting of ministers so they could discuss strategies for prosperity with the trade and finance ministers from their countries. We're advocating that gender equity is also a strategy for prosperity. Countries cannot be prosperous if they leave half their populations behind.

At that meeting, we had a session on integrating Africa's women into the global economy, and we are engaging these women and encouraging them to be voices of change by connecting them with resources and people, both from a practical business point of view and also from an advocacy perspective.

Do you see progress being made toward gender equality in many of these traditionally male-dominated markets?

There has been tremendous progress. During the summer, we hosted a group of African women entrepreneurs. They told us that it would be great to get laws changed, but that the laws aren't what's holding them back. Even when the laws have been changed so that the banks are required to be equal-opportunity lenders, the practice is that, until the culture changes and they see successful role models in the community, they're reluctant to lend to women.

Although 70 percent of the world's labor is provided by females, less than one percent of the assets in the world are owned by females. So women have asked us for some

very pragmatic support, and we're trying to provide that through the many organizations we know that can affect change. For instance, the IFC is working with the African Development Bank and others in Africa to provide the framework and encourage these banks to lend more to women.

Is it challenging to put metrics in place to evaluate impact in some of these efforts, and how critical is that?

It's critical and very difficult because there are currently few baseline measures. The World Bank has issued their reports on doing business and now they have a gender lens on many of their business reports.

Many successful things begin as bottom-up initiatives that percolate and then become viral. We're able to create a lot of virtuous cycles by seeding different initiatives in different parts of the world. It's not all about us creating programs that we run and manage – it's more about inspiring, engaging, and convening the right combination of people who will then make things happen.

Has the U.S. come far enough in terms of the opportunities for women entrepreneurs?

Not at all. In the U.S., only 2.4 percent of women-owned businesses in the U.S. ever reach \$1 million in revenue – that is about one-fifth the rate of men.

Only about 5 percent of the transactions and 3 percent of the dollars in the venture capital community go to women-owned or -led businesses.

So we're also behind, but there are a lot of players in the States working on some of these issues.

For young female entrepreneurs looking to fulfill a mission, what advice would you give them?

One of the most important things that women need to do is to network to develop resources beyond their own small circles. Women tend to work on their own more than men and to try to do everything themselves.

There is unique added value that each of us can bring to a venture. If you can spend most of your time on the added value you uniquely contribute and bring in others who can contribute in different ways, it allows you to maximize your outcomes. ●