



# INVESTING IN WOMEN: EXPERIENCE AND PERFORMANCE OF WOMEN'S SMES

Summary note

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**INVESTING IN WOMEN**  
SMART ECONOMICS  
AN INITIATIVE OF THE AUSTRALIAN GOVERNMENT



[www.investinginwomen.asia](http://www.investinginwomen.asia)

*This study was commissioned from DevLearn by Investing in Women. It was written by Naomi Falkenburg using data gathered by Yuni Chairani, Madel Montejo, Viet Ha Do and Investing in Women. Views expressed are not necessarily the views of the Australian Government. Cover photo by amenic18 from Getty Images.*

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*Investing in Women (IW) has partnered with impact investors to strengthen access to finance for women-owned and -led small and medium-sized enterprises (women's SMEs) in Southeast Asia. IW's impact investing partners (IIPs) provide investment financing directly to women's SMEs across Indonesia, the Philippines, and Vietnam, thereby contributing to closing the credit gap experienced by many women in business. By the end of 2022, IIPs had invested approximately AUD 15.4 million into 82 women's SMEs and leveraged more than AUD 273 million in private capital.*

*This research explores the business journeys and economic empowerment of the women entrepreneurs and business leaders in the IW portfolio; how the investment has affected their lives and businesses; and what can be learned to inform future impact investing in women's SMEs in the region. The research is based on surveys completed by a sample of 52 women investees, and interviews with 33 of them between 2018 and 2023. These SMEs are active in a variety of sectors, including agriculture, retail and consumer goods, education, healthcare and financial services. IIPs invested approximately AUD 10.7 million in this sample of SMEs and leveraged around AUD 64.9 million of additional private sector capital.*

### Women's business journeys

#### 1. Respondent experience

**Interviewees have diverse personal histories prior to starting or joining their current business.** One-fifth of them had previously worked in the same industry, a similar share started their careers in a different sector, and a small number had already founded or run a business before, or started their enterprise after their studies. About one-fifth of interviewees were inspired by examples in their own family to become businesswomen.

**Gender norms have influenced the careers of most interviewees, but not always negatively.** About half of the investees do not believe that they have been unduly affected by unhelpful gender norms. When reflecting on their experiences, interviewees most often speak about being underestimated because of their gender. A few also observe that gendered assumptions can harm fundraising for women's SMEs. A small

number of interviewees modified their behaviour to avoid experiencing or reinforcing negative stereotypes, even though many believe that business performance trumps gender bias. Among interviewees, there are examples of gender stereotypes intersecting with other identities, such as age, nationality, sexual orientation, and diverse gender identities. About 15 percent of investees believe that qualities they associate with being a woman are assets in the business world.

**Interviewees do not believe that their household duties hinder their professional accomplishments.** However, some have high expectations of themselves in both their professional and personal lives, and a couple of interviewees acknowledge that domestic roles can impede business success for some women founders. About one-fifth of interviewees interviewees rely on family or paid help to manage their household and thereby balance work and home life.

#### 2. Business challenges

**Interviewees overcame a diverse range of challenges before securing the IW-backed investment.** Some founders describe having to self-fund, making missteps in their business strategy, or having to overcome issues such as debt and near-bankruptcy.

**While the COVID-19 pandemic had mostly negative impacts on businesses, it presented opportunities for some.** About one-fifth of interviewees say that fundraising was more challenging because in-person meetings were not possible, and investors were uncertain. Approximately one-third of businesses (especially those focused on agriculture or food and beverages) experienced cash flow problems during the pandemic. Businesses providing in-person services had to contend with social distancing measures and soaring operational costs. The pandemic presented an opportunity for some investees, particularly tech-enabled businesses, to launch their business or strengthen their market offering.

**Economic challenges will continue after the COVID-19 crisis, but businesses are still making plans for the future.** A couple of investees said they are contending with

# INVESTING IN WOMEN: EXPERIENCE AND PERFORMANCE OF WOMEN'S SMES

## Report Summary

inflation. Interviewees in the tech sector predict that 2023 will be a challenging year because of a widespread "tech winter." Despite the anticipated challenges, a majority of interviewees feel positive about the future and have plans to further consolidate, expand, or diversify their business activities.

### 2. Investment experience

**Investees have used the capital in a variety of ways.** Most investees have used (or plan to use) the capital to scale up their existing business. The capital has enabled about one-fifth of investees to start new business activities, such as exporting or developing new products. Several investees have covered direct production costs and operating costs, including recipients of Investing in Women's RISE Fund, which was set up in May 2020 to assist women's SMEs in the wake of the COVID-19 pandemic. Just one interviewee said she did not yet know how she would fully use her loan.

**Interviewees generally have positive relationships with their investors, although a small number encounter issues with the terms of their investment.** About one-fifth of investees knew their investors since before they became involved with IW and have built a trusting relationship over time. Investees point to the coaching and mentoring they received as a positive aspect of the relationship. For businesses based in Aceh, Indonesia, the terms of the investment can clash with local rules and customs because interest-generating loans are forbidden under Sharia-compliant finance. One investee mentions that the terms of her investment were not optimal due to the high loan application fee.

**In addition to direct financing, investees derive several benefits from their relationships with investors.** Knowledge benefits were mentioned most frequently, by almost two-thirds of interviewees. They value the technical assistance provided by their investors, including subjects like business management skills and improving business operations. Nearly half of interviewees mention network benefits, as investors have connected them with new buyers, technical partners, and potential investors. Some

interviewees believe that the investment will help them secure deals in the future because it enhances their credibility, and describe financial benefits such as lower collateral requirements and being able to maintain equity in their business.

### Women's economic empowerment

**This study and previous research done by IW sought to understand how women define economic empowerment.** In the survey, they were asked the following question: "Thinking about your own life and other businesswomen that you know, can you describe what being "economically empowered" means to you?".

**Respondents had many different definitions of economic empowerment that touch upon their identities as businesswomen, as members of their family and communities and as women** (Figure 1 on the next page). Several interviewees described their desire to use their businesses, position and experience to empower other women. Overall, the survey respondents consider themselves 'empowered', giving themselves an average rating of 8.4 out of 10 on their own definitions of economic empowerment.

**The conceptual framework used by IW divides women's economic empowerment into four interrelated dimensions:** individual assets (like skills and self-confidence), social assets (like mentors, peers, and family), finance and resource assets (like capital, equipment and time), and agency assets (for example, having decision-making power in the business and at home).

**Overall, women scored their agency assets the highest (9 out of 10 on average) and their finance and resource assets the lowest (7.4 out of 10 on average)** (Figure 2 on the next page). The average self-ratings for individual statements within the different dimensions of economic empowerment vary. As such, the four highest-rated statements (with an average score equal to or greater than 9 out of 10) are spread across agency, social and individual assets. The three lowest-rated statements (scored under 7.5) are also spread across finance and resource, individual and social assets.

# INVESTING IN WOMEN: EXPERIENCE AND PERFORMANCE OF WOMEN'S SMES

## Report Summary

Figure 1: Women's economic empowerment word cloud

● 10+ mentions ● 6-9 mentions ● 2-5 mentions  
n=41

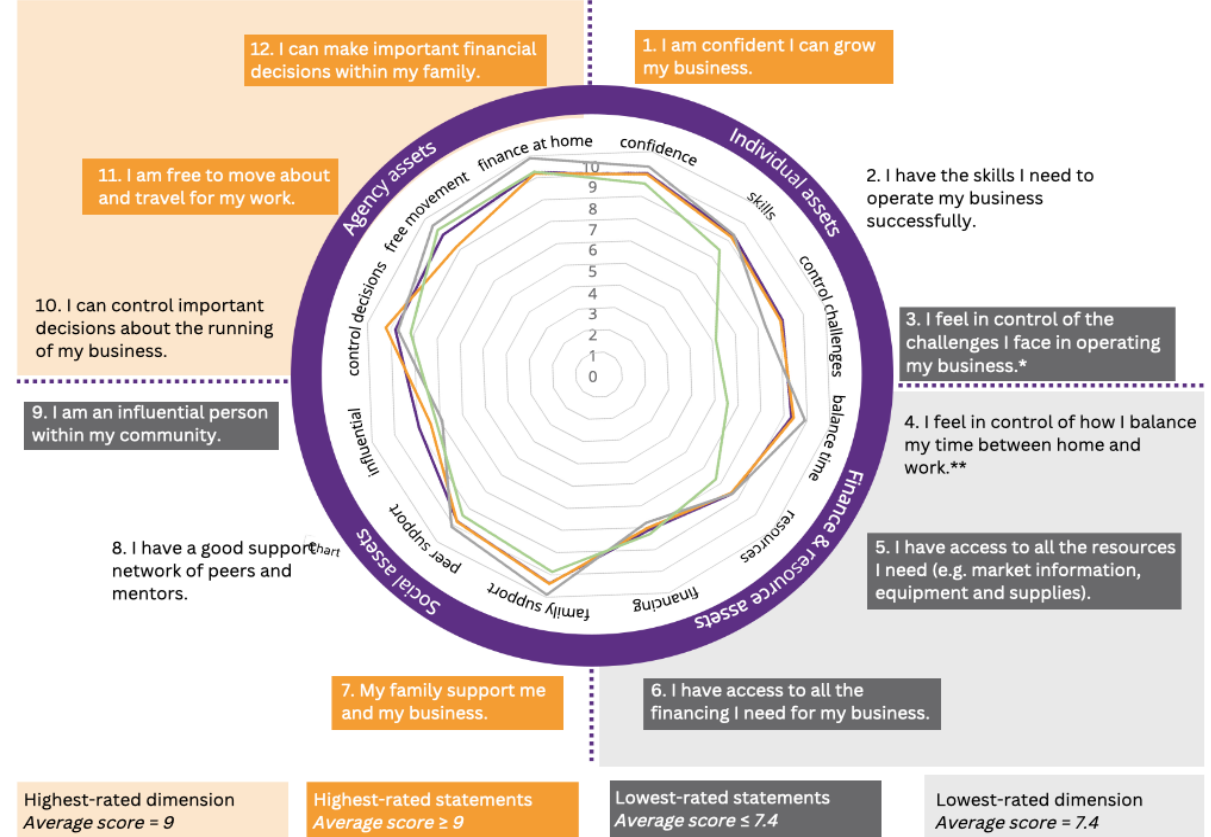


"Being "economically empowered" is a huge motivating factor for me: it makes me motivated and confident, feel trusted and free to work and contribute to my goals and the community."	"Women have the opportunity to work not only because they need to, but because of the opportunities there are in every economic activity for them so that they can be empowered in many ways, especially economically."
"Free to make financial decisions, and with enough resources to meet my needs and my family's."	"Being economically empowered means being able to achieve our full potential as women entrepreneurs."
"Equal opportunity; support and access to financing, training and networks; the opportunity to hold a position, decide, participate, share skills and talents to the community, which will improve status of life."	"Help yourself be more confident and have more opportunities to make decisions related to career and family."
"You can stand on your own two feet."	"Enabling women to have more confidence to develop their own capabilities."
"Financial resources are readily available to be able to execute whatever plans you have in order to achieve progress."	"Being able to participate in and contribute to the growth of society..."
"Having the means to self-sustain myself financially, and having the power to make financial decisions at home and at work."	"[Having] the capacity to contribute and benefit from the growth processes in ways that recognize the value of my contributions."
"Having the means to help one's family financially."	"The ability to make decisions and control one's finances."
"Having the confidence to improve [one's] lifestyle..."	

Some quotes have been translated from Bahasa Indonesia or Vietnamese and/or have been edited for clarity.

Figure 2: Economic empowerment survey – aggregated longitudinal results

Survey responses: ● 2022 (n=45) ● 2021 (n=5) ● 2020 (n=9) ● 2018/2019 (n=7)



\*In 2018/19, this statement was: "I am free from stress."

\*\*In 2018/19, this statement was: "I have enough time in the day to do all the tasks I need to."

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## *Report Summary*

### Implications

**Women's entrepreneurship and business leadership are good for women, their families, and communities.** Investees are driven to use their power, position, and skills to give back to their communities. Donors, impact investors and other ecosystem players should:

- Support women entrepreneurs and business leaders to increase their visibility, for example, by becoming speakers at events, becoming role models and contributing to changing gender norms.
- Maximize the impact of investments on gender equality and women's empowerment by providing technical assistance to investees that supports these aims in their firms.
- Raise women entrepreneurs' and business leaders' awareness of gender-lens investing so they know what investment opportunities exist for women's SMEs and how to position themselves for investment.
- Work with market players to address the continuing financing gap for women's SMEs.

**Women entrepreneurs and business leaders value support that goes beyond access to finance.** Investors and donors should continue providing tailored TA and advisory services, in particular:

- Provide support that benefits both business leaders and employees, who might step into leadership roles in the future and are therefore important to the viability of the business.
- Address a range of soft skills in TA provision relating to business management and other aspects of life, like mental health, time management and communication.
- Continue providing access to networks and one-on-one mentorship and coaching.
- Help women founders and business leaders find and support each other.