

# 'HOW TO FACILITATE **BETTER FINANCIAL ACCESS** FOR **WOMEN ENTREPRENEURS** IN ENCOURAGING INCLUSIVE GROWTH'

MAZRA SOLUTIONS (PTY) LTD & ASSOCIATES

———— IN PARTNERSHIP WITH THE ————  
DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)

———— AND THE ————  
UNISA GRADUATE SCHOOL OF BUSINESS LEADERSHIP (SBL)  
MIDRAND, MAY 3RD.



## Opening and Welcome

Boitumelo Mosako- Chief Financial Officer: DBSA

Muzi Maziya- Mazra Solutions

Cristal Peterson- UNISA SBL

Ms Mosako and Mr Maziya opened the Seminar on behalf of the hosts, Development Bank of Southern Africa (DBSA), and Mazra Solutions respectively.

Ms Mosako highlighted her organization's commitment to supporting women entrepreneurs and indicated that progress that was being made at the DBSA in developing a 'Gender mainstreaming' policy.

Mr Maziya highlighted how the Financial Inclusion Seminar series is a continuation of Mazra's long-term participation in financial sector transformation activities. In the past Mazra has been involved in delivering financial inclusion projects in partnership with financial services providers, academia and non-profit organizations.

Ms. Cristal Peterson welcomed the guests and participants on behalf of UNISA Graduate School of Business Leadership (UNISA SBL), and apologized for SBL's Executive Dean, Prof Raphael Mpopu, who was unable to attend.

She reiterated UNISA SBL's commitment to the Financial Inclusion Seminar Series and outlined the objectives of the day's Seminar which were;

- To provide a dialogue for reviewing current funding structures
- To discuss success and challenges that affect women owned businesses
- To link conference proceedings and resolutions into discussions regarding the ten year review of the Financial Sector Charter



Ms Boitumelo Mosako (DBSA) and Muzi Maziya (Mazra Solutions)  
Provided the welcoming remarks on behalf of their organizations

### Keynote Address

Mrs Dolly Mokgatle, Executive Director of Peotona Group Holdings and Chairperson of the UNISA SBL Advisory Board  
'The importance of facilitating access to finance for women entrepreneurs'

She thanked all present including "men" in attendance- emphasizing that it is a discussion for all of us and the men should be there.

Her presentation drew on her experiences in the workplace and in business leadership covering her earlier "exciting but daunting journey at Eskom".



Ms Dolly Mokgatle, Executive Director, Peotona Holdings

She left the audience with much food for thought and we share highlights of her address below;

"To navigate this ever present and prevalent topic in women business discourse I started by asking what leads women to start and run businesses and what qualities women in this context possess;

I took an introspective journey into my own life as a leader and business woman and realized that I had entrepreneurial curiosity which drove my energy to manage the large entities I did.

Whilst I went into private business much later in my life, my entrepreneurial spirit lived and permeated my work culture as an employee :

It drove me to learn more about my work,

- Create solutions and develop strategic moves for growth and turnaround,
- Refuse to entertain the prospect of failure ,
- Work hard,
- Capacity to learn,
- Nurture both at work and at home developing minds,
- Develop personal and business competitiveness and ambition
- And blaze new terrain,

Empower to be empowered

These are traits inherent in many human beings let alone women and are unfortunately less perceived by our male counterparts and those with whom we encounter in our careers and workspace as well as in business. We unfortunately as women tend to act in ways that perpetuate that stereotypical whilst bursting with knowledge and a desire to prove ourselves worthy of opportunity and recognition.

I would like us to turn that stereotypical stance around and imagine ourselves each making a pitch for finance for the business we are starting or wishing to grow. Looking at some of the traits I arrived at in analyzing my business self I ask you :

What is yours?

What drives you?

What fire burns in you everyday?

What you would give everything and your all to achieve?

What is your true North?

If it is about running your own business, then your heart will beat in sync with that burning ambition.

It does not matter that you planned to be an entrepreneur or stumbled across that opportunity or driven by necessity, now you are in it, you are it and you want success.

With the true self truly imagined, how would you approach a prospective finance entity for your business and would you sell your business and yourself in the pitch?

Whilst I don't know what your own virtues are, I know you have the necessary drive to succeed in what you choose to do and may be missing an important aspect of your personality:

### **The Confident and Prospectively Successful Self**

Financial houses are manned by people and not robots. The proverbial bank manager would be taken up by your story and help finance your dream and ambition if you sell it in a bold, confident, honest and positive way.

It matters not that the financing is for micro or major business, the imperatives of business are the same: prospects for success, (Sustainability) good cash flows (ability to pay debt and make profit), market demand (commercial viability) risk appetite (potential loss) etc.

Your pitch should deal with all key aspects of the business to be bankable and show prospects of success. During the business, a demonstration of business and financial management is imperative, as is ruthless cost management.

### **Trends in Women Business Ownership**

Studies available indicate the reasons, challenges and realities women who choose to be entrepreneurs.

An American study commissioned by the DOL looking at comparisons between women owned businesses and men owned businesses revealed interesting insights into what sets these two gender stratified businesses apart:

Size of businesses

Women's businesses tend to be smaller

Type of and sector in business

Women are more in education and health while men are in construction and manufacturing- our natural instinct for nurturing

Sales output

Lower for women businesses than men with women focusing on local markets while men are externally driven

Access to finance

Women rely more on own or family capital while men use more third party capital.

AND

Women find more stringent requirements for loans than male counterparts. They are considered to be in the low growth scenario.

Working hours

Women work less hours than men due to household and childcare imperatives: work-life balance

These challenges present great opportunities to develop a different mindset to creating a conducive environment for women to thrive:

- Increased Exposure to other sectors;
- Creating gender specific and gender intuitive financing solutions;
- Education on different financing options
- Mentor-ship and Training
- Overcoming a fear for rejection (For Women)

## South Africa and Africa

Trends around % participation of women in mainstream economy remain the same as observed on other parts of the world- lower than men albeit at varying levels.

The Master-card Index of Women Entrepreneurs (MIWE) 2018 shows that only 18% of businesses in SA are owned by women, an obvious concern given the steps taken by government to advance women's participation in the economy.

When comparing South Africa with other countries in Africa and around the world the reasons become clear:

We have a low score in terms of creating a conducive environment for women business to thrive, standing at 33rd v New Zealand at 1 and the UK at 10. Two are developing economies Singapore and the Philippines.

No African Country features in the Top 10!

As far as the highest number of businesses owned by women, Ghana leads not only Africa but the world with its rating at 46.4%, followed by Russia, Uganda, New Zealand and Australia.

This indicates that social and cultural perceptions of women owning businesses are slow to change and calls on us as women to work very hard to change this!

Interestingly, both the MIWE and a study jointly sponsored by DTI, IFC and Finmark show that women in South Africa have a very high rate of access to financial knowledge /financial inclusion(98%) having high entry into tertiary financial education and advancement , yet remain at largely low levels of service pertaining to entrepreneurial support.

The latter study indicates that only 38% of black women are banked compared to 91% of their white counterparts!



When it comes to access to finance 42% of women are financially excluded by less access to credit even though they are better payers than men, some of this being attributed to credit bereave credit scores even in circumstances beyond women's control.

### Opportunity knocks!

1. Armed with this and other factual and anecdotal information, women should pierce the Entrepreneurial veil and claim their space in different sectors;
2. Our ability to multi task is a strength, not a weakness;
3. Seeking a work-life balance is not an indictment on our ambition to succeed but a great opportunity to connect with ourselves and our families and therefore fosters joy and stability;
4. Breaking the barriers of entry into larger and more male dominated businesses will increase our revenue;
5. Develop personal mastery in areas that will grow our ability to run successful businesses. This is critical as it helps us appreciate market trends and value based business strategies with growth as a significant imperative in our intention to establish and run our own business. Like a chess player, calculate every move and play to win.
6. Once knowledge acquired, share-to-empower and create an echo system of knowledge for others to tap into and grow themselves.
7. Smart financiers should know that funding women entrepreneurial business is tapping into a great resource for future growth and prosperity"



Ms Cristal Peterson (UNISA SBL) and the opening speakers at the Women and Finance Seminar, Midrand

Address by, Paula Makgabutlane, Chief Director: the dti  
'Overview of the policy environment that enables and supports female entrepreneurship - towards a gender responsive entrepreneur development policy'

"Equitable and easy access to finance is key to leverage the potential of women to participate in ECONOMIC TRANSFORMATION"



Ms Paula Makgabutlane of the Department of Trade and Industry delivering her presentation at the Women and Finance Seminar

Ms Makgabutlane's presentation focused on the DTI's mandate and policy frameworks underpinning support for women in the economy.

She re-affirmed government's commitment to women's economic emancipation through radical transformation and economic growth with a view to address poverty, inequality and unemployment.

As provided for in the country's Constitution and National Development Plan (Vision 2030), this was in line with international conventions and agreements that together advance equality, women empowerment and development, such as the Convention on Elimination of All forms of Discrimination Against Women (CEDAW), the Beijing Platform of Action, the United Nations Sustainable Development Goals (UN SDG's), and the Southern African Development Community (SADC) Protocol on Gender & Development.

Among the Policy frameworks developed were;

- The Promotion of Equality & Prohibition of Unfair Discrimination Act,
- Employment Equity Act,
- BEE Act,
- Skills Development Act,
- Preferential Procurement Policy Framework Act.

Nevertheless, there continued to be challenges and hurdles for women's economic empowerment which needed all of society to address. In the main she identified them to include;

- Perception of Ability
- Male dominated Industry
- Inequality
- Access to markets
- Access to Finance
- Financial Management Skills
- Financial Literacy
- Training Post finance Support
- Representation in financial decision

Panel discussion 1: Innovative approaches to financing women entrepreneurs (Chair: Dineo Ramokgopa, Mazra Solutions)

Panelists:

Zodwa Mbele, Group Executive: Transacting, DBSA

Zama Khanyile, Umnotho Fund Manager; National Empowerment Fund (NEF)

Nabeela Vally, Principal Dealer: Edge Growth

Julie Kupka, Programme Manager: Absa Enterprise and Supplier Development



Panel 1 in session

The Panel consisted of representatives of diverse financial institutions, including two development finance institutions (DFI's), a large commercial bank (ABSA), and a private sector entity that provides finance and non-finance solutions for enterprise development (Edge Growth).

There are various innovative approaches that financial institutions have adopted in order to fund women entrepreneurs but the challenge is a substantial one and all acknowledged that more can be done to better serve women from different sectors and owning firms at different stages of development.

The DBSA highlighted projects in the health sector and telecommunications industry where it was funding women entrepreneurs both in SA and in other parts of the continent. It was revealed that a policy and strategy was being developed for "gender mainstreaming" in funding and some initial thinking was also on how the DBSA could set conditions for the involvement of women in projects it funded in municipalities.



Panel discussion 2: Finance and support in action (Chair: Prof Peliwe Mnguni, UNISA SBL)

Panelists:

Loyiso Ndlovu, Head of Commercial Banking: Landbank

Lwazi Wali, IIX Global (SA Chapter)

Thuli Nkosi, Hlabisa Business Solutions

The issue of improved marketing and communication with entrepreneurs across the country was raised fairly sharply and the efforts of DFI's such as the NEF was noted, particularly in its use of accessible media, such as radio, to reach a wider audience.

Turnaround times for processing applications is often an issue for women entrepreneurs and this was contrasted with the often lack of capacity for some women entrepreneurs to complete the required paperwork required by financial institutions. Absa had attempted to address such matters through dedicated enterprise development support with a nationwide footprint.

Innovation in financing women entrepreneurs could focus on i) knowledge sharing, and ii) access to finance solutions

Edge Growth's representative highlighted how institutions could improve their ability to serve women entrepreneurs by sharing information and 'stop working in silos'.

Among innovative access to finance solutions was the growing use of 'invoice factoring'.

There was expression of support for further assessment of "policy environment gaps", bridging the rural-urban divide in access to information and opportunities for women entrepreneurs, and the need for purposeful programmes to involve women in the economy through improved access to finance.

The role of the Land Bank and women's access to finance for farming and entrepreneurship, innovative financing solutions, and real experiences of women entrepreneurs in accessing finance took the center stage with this Panel.

The panel spent more time discussing new 'funding models'- from blended finance to impact investing to development impact bonds and how these could change the way women entrepreneurs are accommodated.

Innovative and forward-thinking new financing models have the potential to fill funding gaps needed by women entrepreneurs and panelists raised the importance of rethinking traditional approaches to financing.

At the same time there was much work being done to ensure that women entrepreneurs are 'investor ready' in order to expedite their access to available finance. This included support for the role of intermediaries in improving the ability of women entrepreneurs to effectively communicate information in financial statements and raise their chances of success.

Nevertheless, the experience of women owned businesses in accessing finance revealed a sad tale that indicated that so much more needs to be done.

The perceived and real role of "corruption" in how some DFIs operated was highlighted, as was the often lack of personal contact, and delays in the processing of applications and release of much needed funds, which were all seen as impacting negatively on women entrepreneurs.

Women entrepreneurs argued for a "revolving credit" approach, post-funding support, improved monitoring and evaluation, and reduction of 'funding dependency'.

Among the responses suggested were a "comprehensive targeted strategy" for women entrepreneurs that would address policy 'incongruence' and be holistic in approach, in a similar fashion as the "Black Industrialist" programme.

Such an approach would ensure that there was a clear mandate and responsibilities identified for both “nurturing” women entrepreneurs, through skills and training” for example, and then provide access to finance and post-funding support.

WRAP-UP SESSION: Facilitating funding for women entrepreneurs to ensure a financially inclusive economy (Chair: Dr Michele Ruiters, Africa Research Specialist: DBSA)

Twenty-four years after the onset of democracy in the country it was sad to see women still pleading to be “included”!

In her concluding remarks Dr Michele Ruiters welcomed the inputs and robust discussions between the panelists and participants at the Seminar, indicating that they would serve as a contribution to the review of the Financial Sector Charter and forthcoming Financial Sector Summit.

The Seminar had achieved its objectives but formed part of on-going efforts of support to women entrepreneurs to ensure a financially inclusive society.

It had re-affirmed the importance of access to finance for women entrepreneurs and was useful to shed light on what works and what doesn't in facilitating access to finance.

The panel and speakers had reflected our attempt to involve all the key stakeholders from government, financial sector, academia and community based non-profit organization

In closing she thanked all participants and the organizing and support team that she had led together with Ms Cristal Peterson of Unisa SBL, and Dineo Ramokgopa (MAZRA).

Participants at the Women and Finance Seminar, May 3, 2018, DBSA Midrand.









  
PRESENTS

# **WOMEN AND FINANCE SEMINAR**

**FACILITATING BETTER  
FINANCIAL ACCESS  
FOR WOMEN  
ENTREPRENEURS AND  
ENCOURAGING  
INCLUSIVE GROWTH**

IN PARTNERSHIP WITH

 

ON THE  
**3<sup>RD</sup> MAY 2018**  
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**VENUE : .....**

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