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A review of female directors and entrepreneurs in the UK

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INTRODUCTION

1. The Future for Female Leadership in the UK

While it is true that women remain underrepresented in leadership roles, it is also the case that there have been marked improvements in female representation in business fields, over the course of the last decade, and significant change in the corporate picture since the 1970s. There is now wide acknowledgement that women are substantially adept at effective leadership. As the Harvard Business Review set out in 2019¹, men in leadership roles rank higher on strategic leadership and technology. In all other leadership areas however, women outrank men – for example, in a study conducted with 2000 leaders in 2019 women leaders outperformed male counterparts on taking initiative by 7.4 per cent. At the same time, Zenger and Folkman (*ibid*) note that while women score higher on nearly all leadership capabilities, these leaders give themselves lower self-assessments in nearly all categories, compared to men, raising broader issues about perception, ability, and career progression.

In today's business landscape, women's leadership is needed more than ever. We need to optimise all leadership potential to drive productivity and to avoid what the OECD refer to as the "missing entrepreneurs"². The world's business and political landscapes are now more uncertain than ever, meaning that certain leadership areas will be more important than ever in taking sectors and countries forward during unstable periods. We need:

Bold leadership to ride through uncertainty, lead with vision, and respond swiftly to changes.

Clear communication to counter dis- and mis-information, and to underpin strong negotiation.

Leadership with integrity to build relations, develop reputation and profile, and encourage talent retention.

¹ Zenger, J. and Folkman, J. (2019) Women Score Higher than Men in Most leadership Skills, Harvard Business Review, 25 June 2019

² OECD/European Commission (2023), The Missing Entrepreneurs 2023: Policies for Inclusive Entrepreneurship and Self-Employment, OECD Publishing, Paris, <https://doi.org/10.1787/230efc78-en>

- ☒ Motivation to inspire teams.
- ☒ Problem-solving and Analysis to analyse complex problems and solutions, considering competing perspectives, and working collaboratively to build consensus.

2. The State of Female Leadership in the UK

In some respects, the current state of female leadership in the UK is still unknown. It would be easy to state that over the past decade, the representation of women on boards in the UK has improved. Whilst this is certainly the case, the evidence is more nuanced.

According to Statista, in 2024, there were 19 women chief executives (CEOs) in the FTSE 250 companies with 9 at FTSE 100 companies, representing a fall of 19 per cent. Conversely, women in senior independent director (SID) roles have risen by 9 percentage points to 65 per cent. And an analysis of 1100 companies in 2024, reveals that women hold one quarter (25.1%) of senior management or leadership roles (up from 24% in 2022, and 23% in 2021). Thus, the picture is mixed.

When viewed another way, the FTSE Women Leaders Review Report for 2025³, supported by KPMG and Lloyds banking Group, shows that women now occupy 1,275 (43%) of roles on company boards and 6,743 (35%) of leadership roles at FTSE 350 companies. There are differences in performance but all point to sub-parity in women's leadership roles. The disparity in figures suggests that the state of female leadership is uneven – across size of companies (mid to high cap stocks traded on the Stock Exchange), overseas structures, annualised returns, and even sectors.

We know that the enablers for greater female leadership lie in overcoming gender bias, connecting women with mentors and role models, as well as supporting women's leadership development, networking, tackling work-life balance, championing gender diversity and transparent recruitment processes. These are areas revisited in Part 3 under recommendations.

There is compelling research to show that diverse leadership teams lead to better decision-making and overall success of organisational goals. Women bring unique perspectives that support innovation. Women are also often praised for their empathy and emotional

³ <https://ftsewomenleaders.com>

intelligence. As such women in leadership are essential for driving organisational performance, fostering innovation and promoting economic growth. As McKinsey & Company eloquently put it: businesses with greater female representation in executive roles are 25 per cent more likely to achieve above-average profitability.

3. The Brief

The brief for this report was to provide a baseline of the female leadership position in the UK. Also, to provide a glimpse of the differences in leadership performance, attitudes, and initiatives taking place in different UK sectors, during 2024.

We have taken the decision to focus on Health and Finance as two contrasting service sectors, the latter concentrated around London, and in the North of the country, Leeds, Manchester, Edinburgh (and with lower financial services operating in Cambridge, Birmingham, and the Midlands). Health encompasses primary, secondary, and tertiary health care provision, and also public and private healthcare, and are distributed uniformly across towns and cities across the UK.

We have opted for manufacturing, to provide a contrasting vantage point and potentially, geography. Manufacturing as a more traditional sector has a dominant profile towards male manual work and traditionally, male leadership. It thus provides an insight into change opportunities in more established sectors. Manufacturing remains significant across the East and West Midlands. Advanced manufacturing is prevalent in South Yorkshire (Yorkshire and Humberside), North-West of England, and to a lesser extent, Wales.

The 3 sectors provide the sector analysis in Part 2 of the report, whilst part 1 provides a historical and political overview. The report provides sector case studies and, also, concludes with key findings and recommendations.

SECTION 1 HISTORICAL AND POLITICAL OVERVIEW

4. Overview of women on boards and women entrepreneurs in the UK

Over the past two decades, the representation of women on boards in the UK has improved significantly, driven by both policy changes and societal recognition of the value of gender diversity in corporate leadership. The UK government has played a key role in promoting gender diversity through initiatives like the Hampton-Alexander Review and the FTSE Women Leaders Review, which set targets for increasing female representation on boards of the largest publicly listed companies. The Rose Review (2023) also notes that more women than ever are launching businesses despite a challenging environment. However, the review also highlights the barriers faced by women starting and growing businesses, in terms of finance and unlocking untapped potential of female entrepreneurs.

Female Board Membership

Recent evidence suggest that women now make up a significant proportion of board members in FTSE 100 and FTSE 250 companies, with many organisations aspiring for gender parity and come close to meeting diversity targets. Whilst only 9 FTSE companies are run by women, 48 companies have at least 40% female representation on the board, and 110 companies have at least 40% representation on the boards of FTSE250 companies⁴. In general terms however, there remains a gap in executive roles.

A significant portion of women on UK boards occupy non-executive roles, which focus on providing independent oversight and advice rather than being involved in the day-to-day management of the company. Non-executive directors (NEDs) bring an outside perspective to governance, helping shape the long-term strategic direction of a business. However, the representation of women in executive positions, such as CEOs and Chief Financial Officers (CFOs) is below expectation. Women have made strides in these roles, but achieving gender

⁴ Data form The Female FTSE Board Report 2022. <https://www.cranfield.ac.uk/femaleftseboardreport>

parity at the top executive level is still an ongoing challenge and more research and support is needed in this area to realise gender parity.

Women are particularly well-represented on boards in certain sectors, such as retail, healthcare, and consumer services, where female leadership has been more common historically. However, underrepresentation persists in sectors like technology, engineering, and financial services, where the boardroom culture has traditionally been male-dominated. Despite these challenges, leading companies, particularly in the FTSE 100, have demonstrated a commitment to increasing gender diversity⁵ recognising that a diverse board improves decision-making and innovation (Chijoke-Mgbame et al 2020) through richer perspectives and in a way that enables corporate goals to be achieved more fully. The drive for more women on boards has been bolstered by growing evidence that gender-diverse boards improve corporate governance, decision-making, and financial performance. Companies with diverse leadership teams are often seen as better equipped to understand diverse consumer needs, manage risks, and foster innovation⁶ (Azzam, 2022; Satter et al 2022). Despite some progress, there are still challenges. Gender diversity varies significantly across sectors with industries such as technology and finance lagging behind in female representation comparatively. There is also a need to address the ‘pipeline’ issue, where fewer women hold senior management positions, reducing the pool of potential candidates for board-level roles.

Efforts to further increase female representation on boards continue, with growing emphasis on mentorship, leadership development programmes, and more transparent recruitment processes to ensure women have equal opportunities to advance into board-level positions.

Female Entrepreneurship

The entrepreneurial landscape for women in the UK has also seen rapid growth, with an increasing number of women starting their own businesses across various industries⁷. From health, technology to fashion, women entrepreneurs are making significant contributions to

⁵ Notable examples are; Diageo Plc, 64% female representation; JD Sports Fashion, 57% female representation and an interim female CEO, Admiral Group Plc 55% female representation and a female CEO.

⁶ Azzam, A. A. (2022). Board gender diversity and innovation activities: Evidence from R&D investments in the UK. *Cogent Business & Management*, 9(1), 2154056. Sattar, M., Biswas, P. K., & Roberts, H. (2022). Board gender diversity and firm risk in UK private firms. *Global Finance Journal*, 54, 100766.

⁷

the UK economy, driving innovation, creating jobs, and shaping new business models. Female entrepreneurship has been bolstered by a supportive ecosystem of government initiatives, private sector programmes, and non-profit organisations. Programmes such as Women in Innovation, Start-Up Loans Schemes, and Accelerator initiatives specifically targeted at women have made it easier for female entrepreneurs to access funding, mentorship, and resources necessary to scale their businesses.

Certain sectors have seen particularly strong growth in women-led businesses. For example, the healthcare and beauty industries have traditionally been areas where female entrepreneurs have thrived, given the high demand for products and services tailored to female consumers. In recent years, women have also made significant strides in technology and innovation, particularly in areas such as health tech, FemTech (female-focused technology), and digital platforms. The rise of sustainability-focused businesses, social enterprises, and ethical brands has also attracted many women entrepreneurs who are motivated by ethical purpose and social impact.

Despite this progress, female entrepreneurs face unique challenges, particularly in accessing capital. Studies show that women-led businesses are less likely to receive venture capital or bank loans compared to their male counterparts. Gender bias within the investment community, as well as a lack of networks and mentorship opportunities, continues to create barriers for women seeking to scale their businesses⁸. Addressing this funding gap is crucial for promoting greater gender equality in entrepreneurship.

Another significant challenge for women entrepreneurs is the balancing act between business and family responsibilities⁹. Women are more likely than men to face challenges related to work-life balance, especially in the early stages of business development. Support systems such as family-friendly policies, affordable childcare, and flexible working arrangements remain important for fostering a more inclusive entrepreneurial environment. For example,

⁸ Hohl, L., Bican, P. M., Guderian, C. C., & Riar, F. J. (2021). Gender Diversity Effects in Investment Decisions. *The Journal of Entrepreneurship*, 30(1), 134-152. <https://doi.org/10.1177/0971355720974821> (Original work published 2021)

[Balachandra, L.](#) (2020), "How gender biases drive venture capital decision-making: exploring the gender funding gap", *Gender in Management*, Vol. 35 No. 3, pp. 261-273. <https://doi.org/10.1108/GM-11-2019-0222>

⁹ Cesaroni, F. M., Pediconi, M. G., & Sentuti, A. (2018). It's Always a Women's Problem! Micro-Entrepreneurs, Work-Family Balance and Economic Crisis. *Administrative Sciences*, 8(4), 74. <https://doi.org/10.3390/admsci8040074>

[Kirkwood J, Tootell B.](#) Is entrepreneurship the answer to achieving work-family balance? *Journal of Management & Organization*. 2008;14(3):285-302. doi:10.5172/jmo.837.14.3.285

over four-fifths of female business owners (82%) say that they are responsible for most domestic household duties, while 44 per cent say the costs and expectations associated with childcare are a barrier to female entrepreneurship. Almost half (46%) of the respondents to the GoDaddy survey said they have children under 18¹⁰. In general, set-up costs (52%) and time commitments (48%) were highlighted as the biggest obstacles to women starting a business, despite 72% of female founders creating their business for £1000.

However, there are emerging opportunities for women entrepreneurs in the UK, especially in technology-driven industries. The rise of e-commerce, digital platforms, and sectors like FemTech, sustainability, and social entrepreneurship has provided women with new avenues to build successful businesses. Additionally, more women are entering traditionally male-dominated industries, including technology, engineering, and finance, further broadening the scope of female entrepreneurship in the UK.

While significant challenges remain, the future looks promising for women entrepreneurs in the UK. Continued focus on policy reform, closing the funding gap, and promoting gender equity in leadership and entrepreneurship will be key to sustaining the momentum and ensuring that women have the tools and opportunities to succeed in business.

Key Statistics

37% of women are entrepreneurs, compared to 48% of the total workforce and 51% of the general population. Black Women are 28% of Black entrepreneurs but they are 50% of the Black working population. For Asian and Other Ethnic Minority women and White women this gap also exists but is half the size.

British Business Bank 2020-2511

¹⁰ Go Daddy Survey Data <https://startupsmagazine.co.uk/article-cost-living-crisis-unleashes-new-generation-female-entrepreneurs#:~:text=Over%20four%20fifths%20of%20female,they%20have%20children%20under%2018.>

¹¹ <https://www.british-business-bank.co.uk/about/research-and-publications/alone-together-entrepreneurship-diversity-uk>

Prowess Women in Business <https://prowess.org.uk/facts/>

5. Key milestones on female representation

Over the past century, the representation of women in business leadership positions in the UK has evolved significantly, shaped by legal reforms, cultural shifts, and advocacy for gender equality. Despite substantial progress, women in business have faced numerous challenges, including systemic barriers to leadership and wage inequality. The foundation of female representation in UK business began with legal reforms aimed at addressing gender inequality in the workplace. One of the earliest milestones came with the passage of the Sex Disqualification (Removal) Act of 1919, which allowed women to enter professions previously reserved for men, such as law and civil service. Although this act was not specifically aimed at business, it laid the groundwork for women's increased participation in professional roles, including business leadership.

Another critical milestone was the introduction of the Equal Pay Act of 1970, which mandated equal pay for men and women performing the same work. This legislation came in response to growing pressure from women's rights activists, including trade unions and the women's liberation movement, who sought to address the significant gender pay gap that persisted across industries. The Equal Pay Act was a landmark piece of legislation in the UK and provided the legal basis for challenging pay discrimination in business.

Despite the legal advancements made in the 1970s, women's representation in leadership positions in business remained limited for decades. However, the 1990s saw a slow but steady increase in female representation on corporate boards. By this time, women had made significant strides in the workforce, but their representation in senior management and board positions remained limited. In response to this, various studies and reports began to call attention to the lack of gender diversity in corporate leadership and its potential impact on business performance and governance. The late 20th Century brought about concerted efforts to address the lack of women on corporate boards. One influential report during this period was the **Cadbury Report (1992)**, which set out recommendations on corporate governance, focusing on boardroom responsibilities and accountability. Although the report did not specifically address gender diversity, it highlighted the importance of board composition in effective governance. This laid the groundwork for later discussions on the benefits of having more women in boardroom roles.

In 2011, the **Davies Report** was commissioned to investigate the underrepresentation of women in senior roles within FTSE 100 companies. The report highlighted that women held just 12.5% of board positions and set a target of achieving 25% female representation by 2015. The Davies Report was a watershed moment in the push for gender equality in business leadership. Its recommendations led to widespread changes in corporate governance practices, with companies implementing policies to increase the number of women in senior management and board roles. By 2015, the target of 25% female representation on FTSE 100 boards had been met, and by 2020, the figure had risen to over 33%. The success of the Davies Report demonstrated that targeted initiatives and clear goals could significantly improve gender diversity in business leadership. It also set the stage for further efforts to increase female representation in top corporate roles, such as the **Hampton-Alexander Review**, which extended the focus to FTSE 350 companies.

Building on the momentum generated by the Davies Report, the Hampton-Alexander Review was launched in 2016 to further improve gender diversity in UK business leadership. The review set a goal of achieving 33% female representation on FTSE 350 boards by the end of 2020. Additionally, it expanded the focus to include women in executive committee roles and direct reports to the executive committee, recognising the importance of gender diversity at all levels of senior management. The Hampton-Alexander Review played a pivotal role in advancing female representation in business by holding companies accountable for their gender diversity targets. By the end of 2020, the target of 33% female representation on FTSE 350 boards had been achieved, marking a significant milestone in the journey toward gender equality in UK business. While progress has been made at the board level, the review also highlighted areas where further work is needed, particularly in increasing the number of women in executive roles. Although female representation on boards has improved, women remain underrepresented in CEO and other C-suite positions, indicating that there is still more to be done to achieve true gender equality in business leadership.

One of the most significant recent developments in the fight for gender equality in UK business was the introduction of mandatory gender pay gap reporting in 2017. This policy requires UK companies with over 250 employees to publish data on the difference in average earnings between male and female employees, increasing transparency and accountability in

addressing the gender pay gap. The introduction of gender pay gap reporting marked a major shift in how businesses approach gender equality. It provided a clear measure of the disparities that still exist between men and women in the workplace and places pressure on companies to take concrete steps to address these disparities. While the gender pay gap has been narrowing in recent years, the data revealed by these reports shows that significant inequalities persist, particularly in industries such as finance and technology. The publication of gender pay gap data has prompted many businesses to implement initiatives aimed at improving pay equity and increasing female representation in senior roles. It has also raised awareness among employees and the public about the need for continued progress in addressing gender inequality in the workplace.

In recent years, women have made significant strides in breaking the 'glass ceiling' that has traditionally limited their access to top leadership roles in business. The rise of female CEOs and executives in major UK companies reflects the progress that has been made in overcoming historical barriers to female representation in business leadership. Notable examples include Emma Walmsley, who became the CEO of GlaxoSmithKline (GSK) in 2017, making her the first woman to lead a major global pharmaceutical company. Walmsley's appointment was a milestone not only for GSK but also for women in business, as it demonstrated that women could hold leadership roles in traditionally male-dominated industries. Similarly, Alison Rose was appointed CEO of NatWest Group (formerly Royal Bank of Scotland) in 2019, becoming the first woman to lead a major UK bank. Rose's leadership at NatWest marked an important step forward for gender diversity in the financial sector.

Outside corporate boards, female entrepreneurship in the UK has evolved significantly over the past two centuries, shaped by legal reforms, cultural shifts, and economic transformations. Historically, women faced substantial barriers to business ownership, but their contributions have become increasingly recognised and supported through government policies, societal changes, and the rise of entrepreneurial networks. In the 19th Century, British women were legally restricted from owning businesses and controlling their own income. The **Married Women's Property Acts of 1870 and 1882** were foundational legal changes that allowed married women to own property and retain control over their earnings. These acts enabled women to manage and invest their wealth, creating a foundation for female entrepreneurship.

However, societal attitudes continued to limit women's participation in business. At this time, many women operated small businesses, often home-based, such as dressmaking or cottage industries, which were seen as extensions of their domestic roles. Nevertheless, this early entrepreneurial activity laid the groundwork for future businesswomen.

The First and Second World Wars provided opportunities for women to take on roles traditionally held by men, many of whom were away fighting. During both wars, women entered the workforce in unprecedented numbers, often managing businesses, factories, and farms. Their responsibilities during these times gave them practical business management experience, which empowered some women to pursue entrepreneurship after the wars ended. While most women were expected to return to domestic roles after World War II, the war had broadened perceptions of women's capabilities in business and laid the groundwork for future generations of female entrepreneurs.

The 1970s marked a major turning point in women's rights, with significant progress made toward gender equality in the workplace. The **Equal Pay Act of 1970** and the **Sex Discrimination Act of 1975** were pivotal in promoting women's rights in employment and business. These acts helped eliminate legal discrimination based on gender, which allowed more women to consider entrepreneurship as a career path. At the same time, a cultural shift began to occur in which women sought greater independence, education, and career opportunities. The emergence of **Margaret Thatcher**, the UK's first female Prime Minister (1979-1990), became symbolic of women's potential to rise to leadership positions in both politics and business. Her tenure coincided with policies that favoured small business development, fostering an environment that encouraged entrepreneurship for both men and women. The 1990s saw a significant rise in female entrepreneurship, supported by the growth of the service sector and advancement in technology. The UK saw an increase in women starting businesses in retail, hospitality, and creative industries, as well as online ventures with the advent of the internet. During this time, successful female entrepreneurs such as **Dame Anita Roddick**, founder of The Body Shop, became icons of female leadership. Roddick's business, based on ethical values and social responsibility, inspired other women to build businesses that aligned with their personal values. Female entrepreneurship

networks like **Everywoman**¹² (founded in 1999) provided resources, mentorship, and networking opportunities that empowered women to scale their businesses.

The 21st Century has been characterised by targeted efforts to improve gender representation in business leadership and entrepreneurship. The **Enterprise Act of 2002** encouraged entrepreneurial activity by reducing barriers to entry, and the **Women's Business Council** (established in 2012) promoted female entrepreneurship as an essential driver of economic growth. These initiatives have led to an increase in female business ownership, especially in technology and finance sectors. The **Rose Review of Female Entrepreneurship** in 2019, led by **Alison Rose**, CEO of NatWest, was a landmark study highlighting the barriers women face in entrepreneurship. It found that women were starting businesses at half the rate of men and identified key challenges, including lack of access to funding and mentorship. In response, the UK government pledged to address these disparities by providing more resources to female entrepreneurs.

The COVID-19 pandemic in 2020 disproportionately affected female entrepreneurs¹³, particularly those in sectors such as retail, hospitality, and personal services, which saw significant declines due to lockdowns and restrictions. However, the pandemic also accelerated the shift toward digital entrepreneurship, with many women turning to, e-commerce and online services to sustain their businesses. Female entrepreneurs faced unique challenges during the pandemic, including balancing caregiving responsibilities with running their businesses. Yet, many women adapted by leveraging digital platforms, demonstrating resilience and innovation in the face of adversity, and recognising technological developments as pluralising wealth ownership.

6. Overview of the challenges faced by women entrepreneurs

In recent years, women entrepreneurs have played a pivotal role in shaping the UK's business landscape, contributing significantly to innovation, job creation, and economic growth. According to the Rose Review of Female Entrepreneurship¹⁴, up to £250 billion could be

¹² <https://www.everywoman.com/>

¹³ <https://www.londonchamber.co.uk/news-insights/news/lcci-updates/unleashing-the-power-of-women-entrepreneurs-in-a-post-pandemic-world/>

¹⁴ <https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship>

added to the UK economy if women started and scaled businesses at the same rate as men. Despite these potential gains, women in the UK continue to face a wide range of challenges that hinder their full participation in entrepreneurship. These challenges range from access to finance and societal biases to sector underrepresentation and structural inequalities. While the number of women-led businesses has grown, women remain underrepresented in high-growth sectors such as technology, finance, and manufacturing, where opportunities for expansion and investment are more prevalent.

Access to finance remains one of the most significant obstacles. Women-led businesses often struggle to secure loans and investments compared to their male counterparts, receiving only 2% of all venture capital funding in 2022¹⁵. This financial gap is compounded by societal and cultural expectations that affect women's confidence and willingness to take risks, often forcing them to start businesses in lower-growth sectors such as retail or hospitality, which offer fewer opportunities for substantial growth and profitability.

Additionally, many women entrepreneurs in the UK grapple with work-life balance challenges, as they disproportionately shoulder domestic and caregiving responsibilities. This further limits the time and resources they can dedicate to their businesses. Societal norms and gender biases still prevail, particularly in male-dominated industries, where women entrepreneurs face increased scrutiny and scepticism regarding their abilities.

Issue 1 - Access to Finance Access to finance is one of the most significant and well-documented barriers facing women

entrepreneurs, not only in the UK but globally. The ability to secure funding, whether through venture capital, bank loans, or other investment avenues, is critical to starting, scaling, and sustaining a business. However, women-led businesses often face numerous challenges in securing financial support compared to their male counterparts. These challenges are shaped by a combination of structural biases, risk perceptions, and systemic inequalities, all of which compound the funding gap for female entrepreneurs.

¹⁵ <https://www.british-business-bank.co.uk/news-and-events/news/british-business-bank-report-reveals-no-improvement-in-the-share-of-venture-capital-investment-to-female-founder-teams-over-the-past-decade>

- *The Gender Funding Gap*- the gender funding gap is stark. In the UK, women-led businesses receive disproportionately less investment. According to a 2022 report by the British Business Bank only 2% of venture capital investment went to all-female founder teams, while 88% went to all-male teams. Even mixed gender founding teams only received 10% of the total VC investment. This disparity demonstrates a systemic issue within the investment ecosystem, where women are not viewed as equally viable recipients of large-scale investment. The underrepresentation of women in high-growth sectors such as technology, where venture capital investments are most concentrated, exacerbates this gap. Female entrepreneurs are often concentrated in industries with lower profit margins, such as retail and services, which are typically perceived as less scalable by investors. This perception discourages investors from seeing women-led businesses as high-potential ventures, further limiting access to growth capital.
- *Biases in the Investment Community*- one of the most critical underlying causes of the funding gap is gender bias within the investment community. Investors, many of whom are male, may consciously or unconsciously exhibit bias against women-led businesses. Studies have shown that female entrepreneurs are often viewed as less competent or more risk-averse than their male peers, leading to lower chances of securing investment. Research has found that women are often subjected to more scrutiny during pitch presentations, with investors posing more cautious or risk-averse questions to female entrepreneurs compared to men. Women are also more likely to be judged on their track record and experience, while men are often evaluated on potential. These biases result in women receiving smaller funding amounts, if they receive funding at all. In a 2017 study by Harvard Business Review¹⁶, it was found that male entrepreneurs were often asked questions about growth and potential gains, while female entrepreneurs were more frequently asked about risk mitigation and potential losses. This difference in questioning reflects broader societal attitudes toward gender and risk, further disadvantaging women seeking investment.
- *Structural Barriers to Accessing Loans*- apart from venture capital, women entrepreneurs in the UK also struggle to access traditional business loans and bank financing. A key issue

¹⁶ <https://hbr.org/2017/06/male-and-female-entrepreneurs-get-asked-different-questions-by-vcs-and-it-affects-how-much-funding-they-get>

here is that women are less likely to have the types of collateral that banks typically require for business loans, such as property or significant personal savings. Women tend to have lower levels of personal wealth, which affects their ability to secure loans, particularly for larger amounts. The Rose Review of Female Entrepreneurship (2019) highlighted that women entrepreneurs are more likely to self-fund their businesses and rely on personal savings, rather than seeking external finance. The review found that 55% of women entrepreneurs use self-funding, compared to 38% of men. This reliance on personal savings not only limits the amount of capital available but also constrains the potential for business growth, as women are often forced to operate within tighter financial margins. Additionally, many women entrepreneurs report challenges in building credit history, particularly if they have taken time out of the workforce for caregiving responsibilities. Without an established credit profile, securing loans at favourable terms becomes even more difficult, creating a cycle where women are undercapitalised from the outset.

- *Perceived Risk and Lack of Investor Confidence*- another barrier is the perceived risk associated with women-led businesses. Investors often view women-led businesses as riskier propositions due to several factors, including sector bias (women tend to operate in industries with slower growth trajectories) and societal stereotypes about women being less ambitious or less capable of scaling businesses. A 2020 report by the Global Entrepreneurship Monitor found that women are more likely to run smaller businesses and are less likely to seek growth-oriented funding compared to men. This has created a perception among investors that women are not aiming for significant scale or profitability. While this perception is not universally accurate, it influences investor confidence and contributes to the reluctance to fund female entrepreneurs. The lack of investor confidence also stems from the fact that there are fewer female investors. Women entrepreneurs are often more successful when pitching to women investors, but since the investment community is overwhelmingly male-dominated, the lack of representation among decision-makers perpetuates the funding gap.
- *Venture Capital and Women-Led Start-ups in the UK*- Venture capital (VC) plays a crucial role in fuelling high-growth start-ups, yet it is an area where women face substantial challenges. Diversity VC's 2021 report on female founders found that 83% of VC firms in the UK do not have a single female decision-maker. This lack of gender diversity among VCs can lead to a lack of understanding or appreciation for the business models and

industries in which women operate. Female entrepreneurs are also less likely to be part of the informal networks that give male entrepreneurs access to investors and funding opportunities. The lack of access to these networks can leave women unaware of potential investment sources or deprive them of the mentorship and introductions that are critical for securing VC backing.

Issue 2 - Societal and cultural barriers

Societal and cultural barriers play a significant role in hindering the entrepreneurial aspirations and success of women. These barriers are deeply embedded in gender norms, societal expectations, and long-standing stereotypes that define the roles and capacities of women within the business landscape. In the UK, women entrepreneurs face numerous societal pressures that influence their access to resources, networks, and opportunities, thus impacting their ability to start, grow, and scale businesses.

- *Gender Stereotypes and Perceptions of Women in Business*- one of the most pervasive societal barriers facing women entrepreneurs is gender stereotyping, which influences perceptions of women's capabilities in business. Traditionally, business leadership and entrepreneurship have been viewed as male-dominated fields, with men often seen as more suited for risk-taking, decision-making, and managing enterprises. These stereotypes result in the perception that women are less capable or less ambitious when it comes to starting and growing businesses, which can affect everything from funding opportunities to mentorship. Research by Ahl (2006)¹⁷ underscores that gender stereotypes shape the social expectations of women in business, often leading to assumptions that women are more suited to lower-risk or small-scale ventures. This perception not only limits the types of businesses women feel encouraged to pursue but also influences the sectors in which they are concentrated, with many women opting for industries like retail or education, which are perceived as less competitive and less lucrative than traditionally male-dominated fields like technology or finance. Furthermore, societal perceptions often frame women as less entrepreneurial by nature, influencing how they are treated by investors, customers, and even peers. A study published by Brush

¹⁷ Ahl, H. (2006). Why research on women entrepreneurs needs new directions. *Entrepreneurship theory and practice*, 30(5), 595-621.

et al. (2019)¹⁸ found that societal norms often portray women as lacking the leadership qualities typically associated with successful entrepreneurship. As a result, female entrepreneurs are frequently questioned about their competence, ability to scale businesses, or leadership potential, which reinforces barriers to success and discourages women from pursuing high-growth ventures. *Work-Life Balance and Caregiving*

- *Responsibilities*- Another major societal barrier for women entrepreneurs is the disproportionate burden of caregiving responsibilities. Women are often expected to balance their entrepreneurial ambitions with domestic duties, including childcare and elderly care. This expectation creates significant constraints on the time, energy, and financial resources women can devote to their businesses. The GEM UK 2020 report found that a higher percentage of women than men reported that household and caregiving responsibilities limited their ability to invest in their businesses (see also Rose Review). This issue is compounded by societal expectations that caregiving is primarily a female responsibility. As a result, many women entrepreneurs are forced into part-time entrepreneurship or opt for business models that allow for flexible working hours, even if those models may not offer the same potential for growth and profitability. For example, many women choose to operate home-based or online businesses, which require fewer hours or offer more flexibility but often lack the scalability of other ventures. The lack of affordable and accessible childcare further exacerbates this issue. According to a report by The Fawcett Society (2021), many women entrepreneurs in the UK cite childcare costs as one of the primary barriers to scaling their businesses. The financial and time constraints associated with caregiving responsibilities reduce women's ability to fully commit to business development and growth, placing them at a disadvantage compared to male entrepreneurs, who are often not subject to the same societal pressures regarding family care.
- *Social and Business Networks*- access to social and professional networks is critical for entrepreneurial success, as these networks provide valuable resources, including mentorship, industry knowledge, and access to capital. However, women entrepreneurs

¹⁸ Brush, C., Edelman, L. F., Manolova, T., & Welter, F. (2019). A gendered look at entrepreneurship ecosystems. *Small Business Economics*, 53, 393-408.

- often find themselves excluded from male-dominated networks that are essential for business growth. In the UK, business and investment communities remain largely male-centric, with men forming the majority of decision-makers in venture capital firms, angel investment groups, and business mentorship programmes. Women face barriers in entering these networks due to societal norms that privilege male participation in business leadership and deal-making activities. A 2018 report¹⁹ by the Federation of Small Businesses (FSB) found that women entrepreneurs often lack access and are marginalised from key business networks that can provide introductions to investors or potential business partners. This exclusion creates a ripple effect, where women are not only prevented from forging key social capital connections but are also less likely to benefit from mentorship, which is crucial for developing business skills and gaining industry-specific insights. Additionally, the informal nature of many business networks, particularly those centred around venture capital and high-growth industries, means that women are less likely to enter into and take advantage of 'invited spaces' where significant deals and investments are made. Moreover, male-dominated spaces such as golf courses, clubs, or after-work socialising events further disenfranchise women entrepreneurs, who may not feel welcome or may be constrained by caregiving responsibilities, making it difficult to participate in these activities.
- *Confidence Gap and Imposter Syndrome* - societal norms and cultural expectations also contribute to a confidence gap among women entrepreneurs, leading many to underestimate their own abilities and business potential. This lack of confidence is often driven by the societal messaging that women should not be as assertive or ambitious as their male counterparts. As a result, women entrepreneurs are more likely to experience imposter syndrome, the feeling that they are not deserving of their success or are not competent enough to achieve their business goals. Furthermore, imposter syndrome can lead to hesitation in seeking out high-profile opportunities, partnerships, or scaling strategies that could significantly enhance business success. The confidence gap is also reflected in how women position themselves in business. A 2020 NatWest report found that women are 20% less likely than men to express confidence in their ability to scale their business. Lack of confidence can deter women from pursuing venture capital or other

¹⁹ <https://www.fsb.org.uk/resource-report/supporting-women-s-enterprise-in-the-uk.html>

forms of growth-oriented funding, limiting their ability to expand their businesses. Without the self-assurance to seek out and take advantage of these opportunities, women entrepreneurs may struggle to reach the same levels of growth as their male counterparts.

- *Industry Segregation and Gender Norms*- Industry segregation also plays a significant role in the challenges women entrepreneurs face, as gender norms often steer women toward certain industries perceived as more “suitable” for their skills or societal roles. Women tend to be overrepresented in sectors such as retail and personal services, which are often seen as lower-growth industries compared to technology, manufacturing, or finance, where men dominate. This segregation limits women’s access to high-growth industries and the types of investments typically associated with these sectors. The gendering of industries reinforces societal expectations about what kinds of businesses women should start, often steering them toward sectors with lower profit margins and limited scalability. This trend is reflected in the fact that, despite technology being one of the most lucrative and rapidly growing sectors only 21% of tech business had female founders²⁰. By contrast, women are disproportionately represented in service-oriented businesses, which often face tighter financial margins and slower growth trajectories, reducing their appeal to investors and limiting their potential for significant economic impact.
- *Lack of Role Models and Representation* - Another cultural barrier for women entrepreneurs is the lack of visible female role models in business leadership. Representation matters, and the absence of prominent women in entrepreneurship can deter other women from pursuing entrepreneurial careers. When women do not see themselves reflected in leadership positions or high-growth industries, they may be less likely to believe they can achieve success in those areas. Studies show that women entrepreneurs are more likely to be inspired to start businesses when they have access to female role models who have navigated similar challenges. However, with women still significantly underrepresented in leadership roles, particularly in high-growth sectors like technology and finance, aspiring female entrepreneurs often lack the mentors and role models they need to gain confidence and navigate their entrepreneurial journeys.

²⁰ <https://www.deloitte.com/uk/en/services/deloitte-private/perspectives/the-uks-push-for-female-entrepreneurship.html>

Issue 3 - Legal and Policy framework The legal and policy framework in the UK plays a critical role in shaping the business

environment for all entrepreneurs. However, female entrepreneurs face unique challenges due to specific gaps and shortcomings in the legal and policy structures that disproportionately affect women-led businesses. These challenges are rooted in gender biases within regulations, unequal access to resources, and policy gaps in areas such as childcare, maternity support, and social security systems.

- *Gender Bias in Business Regulation* - One of the fundamental challenges facing female entrepreneurs in the UK is gender bias in business regulations and procedures. Although the legal framework may not overtly discriminate against women, certain regulatory requirements may disproportionately affect women-led businesses. For example, the Women and Equalities Committee (2016)²¹ highlighted how certain business regulations, such as tax structures and social security systems, fail to account for the unique challenges that women entrepreneurs face, particularly those who are self-employed or run small businesses. Many women entrepreneurs operate in sectors such as retail, hospitality, and healthcare, which are heavily regulated. These regulations often involve complex compliance procedures that may disproportionately burden small businesses, which are more likely to be run by women. Women entrepreneurs in these sectors often have limited time and resources to navigate these regulatory frameworks, which can stifle business growth and sustainability.

- *Maternity and Childcare Policies* - The UK's maternity leave and childcare policies, while providing some support for working women, create significant barriers for female entrepreneurs. Maternity leave regulations often fail to provide adequate coverage for women who are self-employed or run small businesses, leaving them without sufficient support during pregnancy and early childcare. This gap in maternity protection discourages many women from pursuing entrepreneurial ventures, particularly if they are of childbearing age. Moreover, the high cost of childcare in the UK poses a significant barrier for women entrepreneurs. The lack of affordable childcare options forces many women to either scale back their businesses or exit entrepreneurship altogether. The

²¹ <https://committees.parliament.uk/committee/328/women-and-equalities-committee/>

- policy framework does not provide sufficient childcare subsidies for entrepreneurs, which exacerbates the work-life balance challenges that women already face. *Access to Finance and Government Support Schemes* - One of the most significant challenges for female entrepreneurs is limited access to finance. Government support schemes and policies designed to encourage entrepreneurship often do not adequately address the specific needs of women-led businesses. Publication by the British Business Bank (2020) found that for every £1 of venture capital investment, all female founders team receive less than 1p²². Although there have been attempts to improve access to finance for female entrepreneurs, such as the *Start-Up Loans Scheme* and the *Enterprise Finance Guarantee Scheme*, these programmes are often not well-targeted to the sectors where women are most likely to operate. Additionally, many women are unaware of the government support available to them or face bureaucratic hurdles in accessing these funds. *Inadequate Social Security for Self-Employed Women* - the social security system in the UK presents another challenge for female entrepreneurs, particularly those who are self-employed. The self-employed are often excluded from key benefits such as statutory sick pay and maternity pay, which leaves women entrepreneurs vulnerable to financial instability in the event of illness or pregnancy. The lack of clear social safety nets discourages many women from pursuing self-employment or limits their ability to sustain their businesses in the long term. The current policy framework does not offer the same protections to self-employed women as it does to employed women, creating a significant gap in support. This inequality is particularly damaging for women entrepreneurs, who often juggle multiple responsibilities and may need to take time off for family or health reasons. *Gender Equality in Business Policy Implementation* - Although the UK has made progress in implementing gender equality policies, the enforcement and implementation of these policies often fall short. Many gender-focused business policies, such as the Equality Act 2010, aim to eliminate discrimination and promote equal opportunities in the workplace. However, enforcement mechanisms are often weak, and the impact of these policies on

²² <https://www.british-business-bank.co.uk>

female entrepreneurship has been limited. According to Ahl and Nelson (2015)²³, the effectiveness of gender equality policies is often undermined by poor implementation, particularly at the local level. Many women entrepreneurs feel that these policies do not adequately address the structural barriers they face, such as access to funding, networks, and markets. As a result, the potential benefits of gender equality policies for female entrepreneurs remain largely untapped.

- *Insufficient Support for High-Growth Female Entrepreneurs* - Many high-growth female entrepreneurs face unique challenges in navigating the legal and policy frameworks that support business growth. Policies designed to encourage innovation and scaling, such as R&D tax credits and patent box relief, are often less accessible to women entrepreneurs. Tech Nation (2020) found that women are significantly underrepresented in high-growth sectors such as technology and engineering, where these policies are most applicable. Furthermore, the lack of tailored support for high-growth female entrepreneurs limits their ability to scale their businesses. Rose (2019) pointed out that government policies need to do more to address the specific needs of female entrepreneurs in high-growth sectors, particularly in providing access to capital and resources for scaling. Responding to the recommendations of the Rose review, the women-led high-growth enterprise task force was established in 2022 to support women in high-growth businesses.

Issue 4 - Sector Representation and Market Access

Sector representation and market access are critical factors influencing the success of female entrepreneurs in the UK. Despite increasing numbers of women starting businesses, there are still significant disparities in the sectors they operate in and the access they have to markets. These disparities are driven by various factors, including societal norms, gender stereotypes, limited access to high-growth sectors, and fewer opportunities for women in male-dominated industries.

- *Gender Segregation in Business Sectors* - One of the key challenges for women entrepreneurs is sector segregation, where women are overrepresented in certain industries and underrepresented in others. Women in the UK are more likely to run

²³ Ahl, H., & Nelson, T. (2015). How policy positions women entrepreneurs: A comparative analysis of state discourse in Sweden and the United States. *Journal of Business Venturing*, 30(2), 273-291.

businesses in traditionally female-dominated sectors, such as retail, personal services, education, and healthcare. These sectors tend to be lower-growth and less lucrative, compared to male-dominated industries like technology, finance, and manufacturing. According to the Rose Review of Female Entrepreneurship (2019), only 16% of women entrepreneurs in the UK are in high-growth sectors such as technology and engineering, while 60% of women-owned businesses are concentrated in lower-growth sectors like retail, health, and education. This concentration limits the ability of women to access venture capital and other forms of investment, which are more often directed at high-growth industries. *Limited Access to High-Growth Sectors* - High-growth sectors,

- particularly technology,

engineering, and finance, are historically male-dominated. Women often face barriers to entry in these industries due to gender bias, lack of representation, and limited access to relevant networks. As a result, female entrepreneurs are less likely to start businesses in these fields, where opportunities for scaling and securing funding are significantly greater. The Tech Nation 2020 report highlighted that only 17% of tech start-ups in the UK were founded by women. Despite the rapid growth of the technology sector, women are often excluded from the networks and ecosystems that foster innovation and provide access to capital. This underrepresentation limits their market access and their ability to tap into the high-growth potential of industries such as fintech, artificial intelligence, and biotech.

- *Market Access and Gender Bias* - Market access is a significant challenge for women entrepreneurs, particularly in male-dominated sectors where women may face gender bias from clients, suppliers, and industry peers. Hampton et al. (2019) argue that women in male-dominated sectors often struggle to be taken seriously, which can hinder their ability to build relationships with suppliers and clients or to penetrate key markets. This gender bias reinforces existing barriers and limits the ability of women to expand their businesses into new or lucrative markets. Moreover, women entrepreneurs are less likely to have access to international markets, which are crucial for scaling businesses. Research by the British Business Bank (2020) showed that women-led businesses are less likely to export their products and services compared to male-led businesses, which further restricts their growth potential.

- *Social and Professional Networks* - Limited access to professional networks is another barrier that affects women's representation in certain sectors. Access to key industry

networks can be crucial for gaining market knowledge, securing clients, and obtaining funding. However, many high-growth sectors are dominated by male networks, where informal interactions and connections are key to business success. Brush et al. (2017) found that women are often excluded from these informal networks, which not only restricts their ability to gain valuable industry insights but also limits their opportunities to connect with investors and potential business partners. This lack of network access disproportionately affects women, particularly in sectors like technology and manufacturing, where connections and industry reputation are vital for business growth. •

Challenges in Scaling Female-Led Businesses - Even in sectors where women are well-

represented, such as retail and personal services, scaling businesses is a significant challenge. The sectors in which women predominate tend to be low-margin and highly competitive, making it difficult to generate the levels of revenue needed to expand.

Female-led businesses are also more likely to be micro or small enterprises, with limited opportunities for rapid growth. A report by the Federation of Small Businesses (FSB, 2020) noted that while women are starting businesses at record rates, their ability to scale these businesses remains constrained by limited market access, insufficient funding, and the concentration of female entrepreneurs in lower-growth sectors. This lack of scalability often leads to stagnation, with fewer female-led businesses transitioning into medium or large enterprises.

Issue 5 - Education and skill development

Education and skill development are critical to the success of any entrepreneur, but female entrepreneurs in the UK face specific challenges in accessing the education, training, and skill development necessary to thrive. These challenges range from gender disparities in educational pathways to limited access to entrepreneurial training, particularly in high-growth sectors. Moreover, societal expectations and biases can limit women's ability to gain the skills and confidence they need to succeed as entrepreneurs.

- *Gender Disparities in Educational Pathways* - A significant challenge for female entrepreneurs arises from gender disparities in educational choices, particularly in subjects that are critical for entrepreneurial success in high-growth sectors like technology, engineering, and finance. Historically, women in the UK have been underrepresented in STEM (Science, Technology, Engineering, and Mathematics) fields, which are essential for

innovation-driven entrepreneurship. According to the WISE Campaign (2021)²⁴, women accounted for only 27% of the core STEM workforce in the UK, despite efforts to encourage more women to pursue these subjects. The lack of women in STEM-related educational programmes limits the number of female entrepreneurs who enter high-growth industries like tech and biotech, where many entrepreneurial opportunities lie.

- *Limited Access to Entrepreneurial Education* - Despite the UK's strong higher education system, entrepreneurial education remains limited, particularly for women. Many entrepreneurship programmes and courses are male-dominated and often do not consider the specific challenges that women face when starting and scaling a business. Research by Henry, Foss, and Ahl (2016) points out that much of the entrepreneurial education available in the UK is not tailored to the unique needs and experiences of women. As a result, women may not fully benefit from these programmes and may lack confidence in pursuing entrepreneurship. Additionally, many entrepreneurial programmes focus on traditional business models rather than the innovative, flexible models that women often pursue due to family or caregiving responsibilities. This mismatch between available training, and the realities of female entrepreneurship limits the effectiveness of existing programmes for women.
- *Lack of Role Models and Mentorship in Education* - Female entrepreneurs often lack access to role models and mentors within the educational system. Mentorship plays a crucial role in the development of entrepreneurial skills, as it helps individuals gain confidence, industry insights, and valuable networks. However, Brush et al. (2017)²⁵ highlight that women entrepreneur in the UK have fewer role models in entrepreneurship, especially in high-growth sectors like tech and finance. The lack of visible and accessible female entrepreneurs as mentors within educational settings discourages many women from pursuing entrepreneurial ventures. Moreover, mentorship programmes and entrepreneurial networks are often designed with male entrepreneurs in mind, making it

²⁴ <https://www.wisecampaign.org.uk/updated-workforce-statistics-to-dec-2021/#:~:text=The%20latest%20government%20workforce%20data%20as%20of,Core%2DSTEM%20roles%20varies%20according%20to%20sector%2C%20however.>

²⁵ Brush, C., Ali, A., Kelley, D., & Greene, P. (2017). The influence of human capital factors and context on women's entrepreneurship: Which matters more?. *Journal of Business Venturing Insights*, 8, 105-113.

difficult for women to find suitable mentors who understand the unique challenges they face. *Gender Stereotypes in Skill Development and Training* - Gender stereotypes continue

- to play a significant role in shaping the types of skills that women acquire. From a young age, societal expectations influence the educational paths women choose, steering them toward fields traditionally associated with caregiving, such as education, healthcare, and retail. These stereotypes not only limit women's participation in high-growth sectors but also restrict their access to entrepreneurial training that emphasises innovation, leadership, and financial management. Many women may feel discouraged from participating in skill development programmes that are male-dominated or focused on industries where women are underrepresented. This reinforces a cycle where women entrepreneurs lack access to the skills needed to thrive in competitive, high-growth markets. *Inadequate Digital Skills for Female Entrepreneurs* - In an increasingly digital world, digital literacy is essential for entrepreneurial success. However, women in the UK are less likely to have access to digital skills training compared to their male counterparts. Several reports and research find that there are few female tech entrepreneurs in the UK, a reflection of the gender gap in digital skill acquisition. This gap limits women's ability to leverage digital platforms, scale their businesses, and compete in the modern marketplace. Additionally, many women who run small businesses, particularly in traditional sectors like retail and personal services, struggle to adapt to digital transformation. Without adequate training in e-commerce, digital marketing, and data analytics, women entrepreneurs face challenges in reaching broader markets and managing their operations efficiently in the digital age. *Limited Access to Leadership and Management Training* - Leadership and management
- skills are crucial for scaling a business, but many women entrepreneurs lack access to targeted training in these areas. A study²⁶ by The Chartered Management Institute revealed that women are significantly underrepresented in leadership training programmes in the UK, which hampers their ability to effectively manage and grow their businesses. Women entrepreneurs, particularly those running small and medium-sized

²⁶ <https://www.managers.org.uk/about-cmi/media-centre/press-releases/women-remain-underrepresented-in-senior-and-strategic-management-positions-research-shows/>

enterprises (SMEs), are less likely to have formal leadership training, which limits their ability to make strategic decisions, manage teams, and navigate complex business environments. This leadership gap is further exacerbated by gender bias in training opportunities, with many programmes not tailored to the unique leadership styles and challenges of women.

Issue 6 - Government and institutional support

Government and institutional support play a pivotal role in the growth and sustainability of entrepreneurship. However, female entrepreneurs in the UK face unique challenges in accessing this support, due to systemic barriers, gender biases, and gaps in the policy frameworks. These include limited access to funding, inadequate training and mentorship programmes, and underrepresentation in high-growth sectors.

- *Limited Access to Government Funding and Grants* - One of the key challenges female entrepreneurs encounter is limited access to government funding. Despite various initiatives aimed at supporting entrepreneurship in the UK, women are often disadvantaged in accessing these funds. Government-backed loans and grants, such as the Start-Up Loans Scheme, are available to all entrepreneurs, but women are less likely to apply for or receive such funding. Recent report shows that only 13% of funding for high-growth companies went to businesses led by women, while male-led businesses dominated access to government grants and venture capital. This gender disparity arises from women-led businesses being more likely to operate in sectors that are perceived as less scalable, such as retail and services. Additionally, many women lack access to the networks and information needed to navigate complex funding application processes.

- *Lack of Tailored Mentorship and Training Programmes* - Access to mentorship and training programmes are crucial for the success of any entrepreneur, yet female entrepreneurs often find these opportunities lacking or inadequately tailored to their specific needs. While the UK government and institutions such as the British Business Bank and Innovate UK offer business support services, these are often generic and do not address the unique challenges faced by women in business, such as balancing family responsibilities, overcoming gender biases, and accessing high-growth sectors. Research shows that women are more likely to benefit from gender-specific programmes that provide not only business skills training but also mentorship from successful female entrepreneurs. The

GEM report (2018) highlighted the importance of tailored mentorship programmes for women entrepreneurs, but noted that there are limited gender-specific initiatives in the UK. *Inequitable Access to Institutional Networks* - One of the critical factors for business

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success is access to institutional networks. Female entrepreneurs in the UK often lack access to these networks, which are essential for gaining market knowledge, securing funding, and connecting with potential customers or collaborators. Many of the most influential business networks are dominated by men, especially in sectors like technology, finance, and manufacturing, where women are already underrepresented. The Alison Rose Review (2019) found that women were less likely to benefit from institutional support programmes due to their exclusion from critical networks and mentorship circles. This underrepresentation in institutional networks creates a significant barrier to business growth and scaling, as women miss out on opportunities for partnerships, advice, and investment.

- *Limited Childcare and Family Support Policies*- Childcare responsibilities and the lack of adequate family support policies create significant challenges for female entrepreneurs. While the UK has introduced initiatives such as free childcare hours, these policies often fall short in providing the support needed by women balancing entrepreneurship with family responsibilities. Many female entrepreneurs report that the cost and availability of childcare services prevent them from fully committing to their businesses, especially in the early stages of growth. Research by The Fawcett Society highlights how inadequate childcare policies act as a barrier to female entrepreneurship. The current system does not provide enough flexibility for women running small businesses, as many cannot afford the high costs of childcare, nor can they take advantage of the available childcare subsidies due to complex eligibility criteria.

- *Inconsistent Implementation of Gender Equality Policies* - While the UK government has introduced several gender equality initiatives, the inconsistent implementation of these policies limits their effectiveness. For example, the Equality Act 2010 was designed to promote gender equality in business, yet its enforcement remains weak, particularly in the context of entrepreneurship. Female entrepreneurs report facing discrimination in the form of unequal access to finance, bias in business support programmes, and limited opportunities in public procurement processes. Additionally, there is a lack of monitoring and evaluation mechanisms to track the effectiveness of gender-focused policies. While

gender equality policies may exist on paper, they often fail to address the structural barriers that prevent women from fully participating in the business ecosystem. This includes the lack of institutional support for women in leadership positions and the gender pay gap that persists in many industries.

4. Emerging Trends and Opportunities for UK Women Entrepreneurs

Women entrepreneurs are playing an increasingly significant role in shaping the UK's economy. With supportive initiatives and evolving market dynamics, female entrepreneurship has gained momentum. However, women still face unique challenges such as access to finance, societal biases, and underrepresentation in certain sectors. In recent years, emerging trends such as the rise of digital platforms, sustainability, and government policies have opened new avenues for women-led businesses.

- *Increase in Digital and E-commerce Opportunities* - Digital transformation and e-commerce growth have opened new doors for women entrepreneurs. The COVID-19 pandemic accelerated the shift to online business models, providing flexible, accessible platforms for women to start or scale their businesses. Women are increasingly leveraging e-commerce platforms to sell products and services, bypassing traditional brick-and-mortar businesses. Platforms like Shopify, Etsy, eBay and Amazon Marketplace have empowered women to launch businesses with relatively low start-up costs.

Examples: Many women entrepreneurs are thriving in sectors like fashion, beauty, handmade crafts, and consulting by selling their products or services online. Women are thriving in the beauty sector, evidenced by their leadership roles, entrepreneurial ventures, and growing influence in shaping industry trends and consumer preference.²⁷

- *Rise of the Social Enterprise Sector* - Social entrepreneurship is on the rise, with many women focusing on ethical, sustainable, and community-driven business models. 63 per cent of social enterprises in the UK are led by women. Women entrepreneurs are often drawn to businesses that make a positive social or environmental impact. The UK has a strong culture of social enterprise, and women-led businesses are increasingly operating in this space.

²⁷ Forbes (2020) Inspiring Female Founders in the Beauty Industry, 09 March 2020
<https://www.forbes.com/sites/biancasalonga/2020/03/09/inspiring-female-founders-in-the-beauty-industry/>

Opportunities exist through access to social impact grants, ethical consumer markets, and corporate social responsibility (CSR) funding. **Examples:** Many women-led social enterprises (such as the Women's Work Lab) focus on issues such as poverty alleviation, sustainable fashion, and local community development. Women-owned social enterprises are making a positive impact in a variety of sectors, from healthcare and education to environmental sustainability and community development. Many are focused on addressing social issues that disproportionately affect women. This includes gender inequality, access to education and healthcare, and violence against women²⁸.

- *Access to Alternative Finance* - With women entrepreneurs often facing barriers in accessing traditional finance, alternative financing options such as crowdfunding, peer-to-peer lending, and angel investment have become popular alternatives.
Opportunity: Crowdfunding platforms such as Kickstarter and Funding Circle offer opportunities for women to raise capital outside traditional banks, particularly for creative, innovative, or community-based ventures.

Examples: Female founders have successfully raised funds for diverse businesses ranging from technology start-ups to ethical fashion brands using crowdfunding platforms. Initiatives like the Invest in Women Taskforce and Female Founders Fund are working to address this funding gap and support female entrepreneurship.²⁹

- *Growth of Women in STEM and Tech Sectors* - Although traditionally male-dominated, STEM (Science, Technology, Engineering, and Mathematics) sectors are seeing an increase in women entrepreneurs. Government initiatives and societal shifts are encouraging women to enter these fields. Initiatives like Innovate UK's Women in Innovation awards and Tech Nation's Diversity Programme offer funding, mentorship, and networking opportunities specifically designed to encourage more women in tech and STEM sectors.

Examples: Women entrepreneurs are making strides in fields such as biotech, renewable energy, fintech, and artificial intelligence (AI), taking advantage of government grants and innovation support schemes. The UK's Women in Biotech Network aims to improve

²⁸ Womens Organisation (2023) <https://www.thewomensorganisation.org.uk/women-owned-social-enterprises-uk-business/>

²⁹ Female Founders Fund <https://femalefoundersfund.com>

underrepresentation of women in senior levels in the biotech sector offering in-person events, an online forum, a range of guidance and a recently launched mentoring programme.³⁰

- **Government Policies Promoting Female Entrepreneurship** - The UK government has implemented several policies to promote female entrepreneurship. These initiatives are designed to reduce the gender gap in business ownership. Examples of such initiatives are:

- Start-Up Loans
- The Investing in Women Code (2019)
- The Female Founders Fund
- Women in Innovation Awards Opportunity (2016): These programmes provide women with access to capital, mentoring, and business training. Additionally, tax incentives and business rate relief are available to support women-led start-ups and SMEs.

Examples: Women entrepreneurs in industries like tech, healthcare, and creative sectors are benefiting from these policies, allowing them to grow their businesses with less financial burden.

- **Focus on Flexible and Remote Business Models** - The rise of remote working and flexible business models, accelerated by the COVID-19 pandemic, has created significant opportunities for women entrepreneurs. Home-based and remote businesses offer flexibility, especially for women balancing family and business. Women are increasingly utilising remote work platforms such as Upwork, Fiverr, and virtual consulting models to offer services globally. These models require lower overhead costs, making it easier to start and scale businesses from home.

Examples: Female entrepreneurs in consulting, coaching, marketing, and online education are thriving in this flexible environment.

- **Networking and Mentorship Initiatives for Women** - Networking and mentorship are critical to entrepreneurial success, and an increasing number of gender-specific initiatives are helping women access these resources. Networks like Everywoman and Forward Ladies offer peer support, training, and visibility to women entrepreneurs. Women entrepreneurs benefit from networking programmes that connect them with investors, mentors, and collaborators, helping to overcome traditional barriers such as gender bias,

³⁰ <https://www.bioindustry.org/growing-sector/women-in-biotech.html>

lack of access to business networks/ information and imposter syndrome. Organisations such as the Female Entrepreneur Association provides community support, resources, and advice to help women navigate the challenges of running a business. Sustainability

- and Green Entrepreneurship - The push for sustainability and green entrepreneurship is gaining traction, with many women leading eco-friendly and socially responsible businesses. Consumers are increasingly drawn to businesses with strong environmental and ethical commitments. Women entrepreneurs in the UK are tapping into the growing demand for sustainable products and services, particularly in sectors like fashion, renewable energy, and organic food. Government grants and sustainability-focused incubators support these ventures.

SECTION 2 SECTOR ANALYSIS

1. Health Sector

1.1 Overview of Entrepreneurship in the UK Health Sector

The UK health sector is a major part of the country's economy, valued not only for its role in improving public health but also as a significant driver of economic growth, innovation, and employment. Data from the Office for National Statistics (ONS) shows that the UK healthcare sector contributed around £292 billion to the economy in 2023 representing 10% of the country's GDP³¹. The sector also accounts for a significant portion of employment, particularly through the National Health Service (NHS), which is the largest employer in the UK, with over 1.5 million employees. Thus, the sector's scale and importance provide ample opportunity for entrepreneurial activities especially in the wake of technological advancements and growing demands for personalised, efficient, and accessible healthcare services.

In recent years, entrepreneurship in this sector has gained momentum, with start-ups and small to medium enterprises (SMEs) contributing to advancements in medical technology, biotechnology, pharmaceuticals, healthcare services, and digital health innovations. However, female entrepreneurship in the UK health sector is still an evolving field, recognised for its potential to drive innovation, improve healthcare delivery, and address health inequalities. Women represent a significant portion of the healthcare workforce, yet their representation in entrepreneurial roles within the sector remains disproportionately low. Despite facing several barriers—such as limited access to finance, gender biases, and structural challenges—female entrepreneurs are making notable contributions to the UK health sector, particularly in areas such as digital health, biotechnology, and personalised care.

Women play a pivotal role in the UK health sector, making up a significant percentage of the workforce. According to *NHS Digital (2021)*, women account for approximately 77% of the National Health Service (NHS) workforce. However, this high representation does not extend

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<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthcaresystem/bulletins/ukhealthaccounts/2022and2023#health-expenditure-data>

to leadership and entrepreneurial roles. Women are underrepresented in areas where decision-making, innovation, and policy formation are most prominent, including entrepreneurship and senior management in health-related businesses. Leadership in health globally as well as nationally is heavily skewed towards men³². Global health organisations also neglect the issue of gender equality in their leadership and research has overwhelmingly shown that women in leadership positions in health implement different policies over men and are more supportive of women and children. Thus, increasing female leadership in health areas is both feasible and fundamental.

This underrepresentation is particularly pronounced in sectors such as biotechnology and health technology, where women face systemic barriers to entry, such as gender biases and challenges in securing funding (Alison Rose Review, 2019). However, many women who pursue entrepreneurship in health do so with the intention of addressing gaps in the system, particularly in areas related to women's health, mental health, and elderly care, creating innovations that prioritise patient-centred approaches.

1.2 Recent development and progress in female entrepreneurship in the UK

Female entrepreneurship in healthcare is an area of growing national significance that mirrors global trends. In recent years, increasing attention has been paid to the role of women in leading health-related ventures, particularly in fields such as health technology, biotechnology, pharmaceuticals, and healthcare services. Women entrepreneurs are making critical contributions to innovation in healthcare by developing solutions that address the unique needs of underrepresented populations, including women's health, mental health, and elderly care. Despite persistent challenges such as limited access to funding and gender bias, the landscape of female healthcare entrepreneurship has evolved significantly, driven by technological advancements, governmental support, and shifting societal attitudes.

- *Growing Interest in Women's Health (FemTech)* - One of the most notable recent trends

³² Downs JA, Reif LK, Hokororo A, Fitzgerald DW. Increasing women in leadership in global health. *Acad Med*. 2014 Aug;89(8):1103-7. doi: 10.1097/ACM.0000000000000369. PMID: 24918761; PMCID: PMC4167801.

in female healthcare entrepreneurship is the rise of FemTech, a term that refers to technology-driven innovations aimed at addressing women's health issues augmented by the COVID-19 pandemic (access to healthcare being a key driver)³³. The FemTech industry, which includes products and services related to reproductive health, pregnancy, menopause, and hormonal health, has gained significant traction in recent years. According to *FemTech Analytics*, ³⁴the global FemTech market is expected to exceed \$75 billion by 2025, with Europe being one of the key regions driving this growth.

In the UK, female entrepreneurs are leading the charge in developing innovative FemTech solutions, especially on female missions. For example, Tania Boler, the founder of Elvie, has developed a series of products, including a wireless breast pump and a pelvic floor trainer, aimed at improving women's health and well-being. Elvie has become one of the most successful FemTech companies globally, raising over \$80 million in funding to date (*Business Insider*, 2021). The growing focus on FemTech reflects a broader recognition of the need for healthcare solutions that address the specific health concerns of women, a historically underserved market.

Another significant development in FemTech is the increased attention to menstrual health and fertility solutions. UK-based startups such as *Daye*, founded by Valentina Milanova, are pioneering new approaches to menstrual care through the development of organic, CBD-infused tampons designed to alleviate period pain and promote sustainable menstrual products. Similarly, *Natural Cycles*, a fertility tracking app co-founded by Elina Berglund Scherwitzl, has seen rapid growth in the UK as women seek non-invasive, hormone-free contraceptive options.

The growth of the FemTech sector is indicative of a broader trend where female entrepreneurs are stepping in to fill gaps in healthcare that have traditionally been overlooked by male-dominated industries.

- *Digital Health and Telemedicine* - The COVID-19 pandemic has also accelerated the adoption of many digital health solutions, including telemedicine, telehealth platforms, and remote patient monitoring technologies. Female entrepreneurs have been instrumental in driving innovation in these areas, developing tools that make healthcare

³³ Beauhurst (2024) High Growth Femtech Companies UK. <https://www.beauhurst.com/blog/top-high-growth-femtech-companies-uk/#:~:text=Femtech%20in%20the%20UK,a%20key%20reason%20behind%20this>.

³⁴ <https://www.femtech.health/femtech-market-overview>

more accessible and patient centred. One example of this is *Livi*, a digital health platform which connects patients with medical practitioners. By offering virtual consultations and mental health resources, *Livvy* addresses a growing demand for accessible and personalised health care solutions. Another key player is *Peppy Health*, co-founded by Max Landry, Evan Harris, and Mridula Pore, which provides personalised support for women's health through its digital platform. *Peppy* focuses on supporting women during menopause, pregnancy, and post-natal recovery by offering access to specialists via a mobile app. The platform has been especially successful in securing partnerships with large UK employers, demonstrating the increasing recognition of the importance of supporting women's health in the workplace.

- *Governmental and Institutional Support* - The UK government and various institutions have recognised the importance of promoting female entrepreneurship in the healthcare sector. In 2019, the UK government published the *Rose Review of Female Entrepreneurship*, which highlighted the barriers faced by female entrepreneurs and made several recommendations to improve the entrepreneurial ecosystem for women. Following the review, initiatives such as the *Female Innovators* programme by *Innovate UK* were established to provide funding and support for women-led ventures in health, science, and technology. In addition, the ***Women in Innovation Awards*** from *Innovate UK* have provided grants to several female entrepreneurs in healthcare, helping them scale their ventures. These initiatives are critical in addressing the gender gap in access to finance and fostering a more inclusive entrepreneurial landscape in healthcare. Moreover, institutional initiatives, such as *the Royal Academy of Engineering's Enterprise Hub* and ***AccelerateHER***, have been instrumental in supporting female entrepreneurs in healthcare by offering mentorship, networking opportunities, and access to funding. These programmes are helping to create a more supportive environment for female-led ventures in the healthcare sector, encouraging more women to pursue entrepreneurial paths.

1.3 Drivers of Entrepreneurship in the Health Sector

Several factors drive entrepreneurship in the UK health sector, many of which are linked to broader trends in healthcare, technology, and societal needs.

- *Aging Population and Rising Healthcare Demand* - The UK, like many other developed nations, is experiencing an aging population, with the number of individuals over the age of 65 growing steadily. According to data from ONS the proportion of people aged 65 and over increased from 16.4% in 2011 to 18.6% in 2021. This has significant implications for the health sector, as the population ages, the demand for healthcare services, particularly those related to chronic conditions and long-term care increases. This growing need is opening new opportunities for entrepreneurs to develop innovative healthcare solutions, ranging from elderly care services to medical devices tailored for aging populations.
- *Technological Advancements and Digital Health* - Technological innovation has been a significant driver of entrepreneurship in the UK health sector. The rise of digital health solutions, including telemedicine, wearable health technologies, and mobile health applications, has created new business opportunities for startups. According to a report by Deloitte (202035), the digital health market in the UK has seen substantial growth, driven by advancements in artificial intelligence, big data, and cloud computing. These technologies have the potential to transform healthcare delivery, making it more efficient and accessible. HealthTech, is a fast-growing segment of the health sector, and entrepreneurs are playing a critical role in developing solutions that improve patient outcomes, streamline healthcare processes, and reduce costs. From AI-driven diagnostics to digital platforms for patient management, technology-based health innovations are revolutionising the way healthcare is delivered and managed.
- *Public and Private Sector Support* - Government initiatives and public sector support are also major drivers of entrepreneurship in the UK health sector. The UK government has recognised the importance of fostering innovation in healthcare and has implemented several programmes to support entrepreneurs. For instance, Innovate UK offers grants, funding competitions, and accelerator programmes to help health-focused startups develop their ideas and bring them to market. These initiatives are designed to stimulate innovation in key areas such as medical technology, biotechnology, and digital health. Similarly, the private sector, particularly venture capital firms and private investors, are also playing an increasingly important role in supporting health sector entrepreneurship.

³⁵ <https://www.deloitte.com/uk/en/Industries/life-sciences-health-care/analysis/digital-health-in-the-uk.html>
<https://www2.deloitte.com/kz/en/pages/life-sciences-and-healthcare/articles/global-health-care-sector-outlook.html>

The investment landscape has evolved, with more investors recognising the potential for high returns in health innovations, particularly in areas like biotechnology and digital health. The UK's strong research base in life sciences, supported by world-leading universities and research institutions, has also helped attract both public and private investment into health-related ventures. *Personalised Medicine and Genomics* -

- Personalised medicine, which tailor's medical treatment to the individual characteristics of each patient, is an area of growing interest in the health sector. Advances in genomics and biotechnology are enabling the development of treatments that are more precise, effective, and personalised. Entrepreneurs are capitalising on this trend by developing diagnostic tools and therapeutic interventions based on genetic information. Furthermore, the UK's strong position in life sciences, with institutions like Genomics England leading research in this field, provides a fertile ground for entrepreneurship in personalised medicine. Startups working in areas such as genetic testing, biomarker discovery, and personalised therapies are emerging as key players in the health sector.
- *Artificial Intelligence and Big Data in Healthcare* - AI and big data are revolutionising healthcare by enabling more accurate diagnoses, improving patient outcomes, and optimising healthcare delivery systems. Entrepreneurs are developing AI-powered tools that can analyse large datasets to predict health outcomes, automate diagnostic processes, and support clinical decision-making. The UK health sector is embracing AI in various ways, from AI-driven diagnostic tools for imaging and pathology to predictive analytics platforms that help healthcare providers manage patient care more effectively. Entrepreneurs in this space are leveraging the power of AI to address challenges such as diagnostic errors, inefficiencies in healthcare delivery, and rising healthcare costs.
- *Mental Health and Well-being Provisions* - Mental health and well-being have become major focus areas for entrepreneurs in the UK health sector, particularly in response to the growing demand for mental health services. The COVID-19 pandemic has exacerbated mental health challenges, leading to an increased need for accessible, scalable mental health solutions. Startups in this space are developing digital platforms that offer mental health support through apps, virtual therapy sessions, and self-help tools. These solutions aim to make mental health care more accessible, particularly for individuals who may face barriers to traditional in-person therapy.

1.4 Key Drivers of Female Entrepreneurship in Health

- *Social Impact and Ethical Motivations* - Female entrepreneurs in the UK health sector are often driven by a desire to make a social impact. Research by *Brush et al. (2018)* suggests that women are more likely than men to pursue business ventures with a focus on social and ethical outcomes. This trend is especially pronounced in health, where women often start businesses aimed at addressing unmet needs in the healthcare system, particularly in areas related to vulnerable populations and gender-specific health issues, such as reproductive health and mental health. Women are also more likely to develop innovations that focus on holistic care, preventative health, and improving patient well-being. This patient-centred approach is evident in several women-led health startups in the UK, particularly in the fields of mental health, digital health platforms, and services designed to improve accessibility and equality in healthcare delivery (*British Business Bank, 2021*). *Personal Experience and Expertise* - Many female entrepreneurs in the UK health sector
- are motivated by personal experiences—either as healthcare professionals or as patients. These experiences provide them with unique insights into gaps and inefficiencies in the healthcare system, driving them to develop solutions that directly address these challenges. For instance, women who have experienced challenges in accessing healthcare services or who have identified issues within the system are more likely to start businesses that offer alternative care models or address specific healthcare needs. This trend is particularly evident in women-led ventures in the areas of maternal and reproductive health, mental health services, and elder care. By leveraging their expertise and personal insights, these entrepreneurs often create patient-centred, empathetic, and efficient solutions that prioritise the needs of underrepresented or underserved groups in the healthcare system.

Case Study: LatchAid by Dr Chen Mao Davies³⁶

LatchAid is a breastfeeding and early parenting support app borne and developed out of Dr Chen Mao Davies personal struggles with breastfeeding. The app uses technology such as 3D

³⁶ <https://iuk.ktn-uk.org/casestudy/women-in-innovation-success-stories-dr-chen-mao-davies/>

and AI to provide an interactive animation setting where mothers can learn breastfeeding skills from 3D avatars. It also provides a community of peer supporters, an AI-inspired chatbot and 1-2-1 support. She has received funding from Innovate UK Women in Innovation and NHS England. Her major challenge as an entrepreneur resonates with the earlier identified challenges. She notes raising finance as a 'solo-female' and juggling multiple roles as a business owner and a mother with childcaring responsibilities.

- Pursuit of Flexibility and Autonomy - A significant driver for female entrepreneurship in health, as in other sectors, is the pursuit of flexibility and autonomy. Women are often motivated by the need to balance their professional careers with family responsibilities, and entrepreneurship offers the opportunity to control working hours and create a business structure that aligns with personal values and goals. This motivation is particularly strong in healthcare, where traditional roles can be demanding and inflexible. Female entrepreneurs in the UK health sector often prioritise creating businesses that not only meet healthcare needs but also allow for a better work-life balance. This is especially relevant in areas such as home healthcare, wellness services, and digital health platforms that offer flexible working arrangements for women, both as entrepreneurs and employees.

1.5 Challenges for Female Entrepreneurs in the Health Sector

Despite the opportunities, entrepreneurs in the UK health sector face several challenges that can hinder business growth and innovation.

- *Regulatory Barriers:* The health sector is one of the most heavily regulated industries in the UK, with strict rules governing the development, testing, and approval of new medical devices, treatments, and services. Entrepreneurs, particularly those in early-stage startups, often struggle with navigating the complex regulatory landscape. The high costs and long timelines associated with securing regulatory approval can be a significant barrier to entry, particularly for small businesses with limited resources. Female entrepreneurs, particularly those with limited resources or experience, often struggle with understanding and complying with these complex regulations (*Fraser, 2019*). This presents a significant barrier to entry, especially in capital-intensive fields like

biotechnology and medtech, where regulatory compliance is critical to the success of a business. *Access to Finance* - Access to finance is another major challenge for health sector entrepreneurs. While there are funding opportunities available through public and private sources, securing investment, particularly for early-stage ventures, can be difficult. Health startups, especially those in capital-intensive areas like biotechnology and medical technology, often require significant upfront investment to cover research and development, clinical trials, and regulatory approval processes. Female entrepreneurs, in particular, face additional challenges in accessing finance, as studies show that women-led startups receive a disproportionately small share of venture capital funding (Rose Review, 2019). *Scaling and Market Penetration* - Scaling a business in the health sector can be difficult due to the highly specialised and regulated nature of the industry. Female entrepreneurs must not only navigate regulatory hurdles but also have to convince healthcare providers, insurers, and patients of the value of their innovations. Gender biases in the investment community can lead to women being perceived as less competent or less capable of scaling their businesses compared to their male counterparts (Marlow & McAdam, 2013)³⁷. This limits the ability of women to secure the capital necessary to scale their ventures and compete with male-led businesses that have greater access to financial resources. The fragmented nature of healthcare systems in the UK, with a mix of public and private providers, can further complicate market penetration for new products and services. *Gender Bias and Discrimination* - Gender bias and discrimination remain significant barriers for women entrepreneurs in the health sector. Carter et al (2007)³⁸ highlight that women are often subject to gendered stereotypes and biases that affect how they are perceived by investors, clients, and partners. This bias is particularly prevalent in sectors

³⁷ Marlow, S., & McAdam, M. (2013). Gender and entrepreneurship: Advancing debate and challenging myths; exploring the mystery of the under-performing female entrepreneur. *International Journal of Entrepreneurial Behavior & Research*, 19(1), 114-124.

³⁸ Carter, S., Shaw, E., Lam, W., & Wilson, F. (2007). Gender, entrepreneurship, and bank lending: The criteria and processes used by bank loan officers in assessing applications. *Entrepreneurship theory and practice*, 31(3), 427-444.

like health technology and biotechnology, where women are frequently underestimated or judged more harshly than men. Moreover, women often face difficulties accessing networks of support, mentorship, and collaboration, which are typically dominated by men. This lack of access to gender-sensitive support structures can hinder the growth and success of female-led ventures in the health sector.

2 Finance Sector

2.1 Overview of Entrepreneurship in the UK Finance Sector

Entrepreneurship in the UK financial sector has experienced substantial growth over the past few decades, driven by advancements in technology, regulatory changes, and a supportive investment landscape. From traditional banking and insurance to the emergence of fintech, the UK has become a global hub for financial innovation. A combination of factors—such as London’s established status as a financial centre, strong government support, and a skilled workforce—has fostered an environment where entrepreneurship in the financial sector thrives.

The UK financial sector has a long history that traces back to the early establishment of banks, insurance firms, and trading institutions in the 17th and 18th centuries. Institutions such as Barclays Bank (1690), Lloyds of London (1689) and The London Stock Exchange (1574) laid the foundation for a strong financial industry centred in London, which became known as “The City”. However, a key turning point for the UK financial sector was the deregulation of financial markets in 1986, known as the “Big Bang”. This introduced electronic trading, removed fixed commission charges, and allowed foreign firms to participate in the UK market more freely. The Big Bang stimulated significant innovation, led to the growth of financial services in London, and set the stage for future entrepreneurial activities in the sector. By the early 2000s, rapid advancements in technology began transforming financial services. Financial technology (Fintech) emerged as a major sector within the financial industry, this was driven largely by the increasing availability of internet services, smartphones, and digital infrastructure. Early entrants in the Fintech space such as Revolut, Monzo, Wise etc reshaped consumer finance, payment systems and banking services. As a means to support the burgeoning Fintech Industry, the Financial Conduct Authority (FCA) introduced the regulatory sandbox in 2016. This sandbox allowed startups to test innovative products in a controlled environment without facing full regulatory requirements. The initiative boosted entrepreneurship by lowering the initial regulatory burdens on startups and giving them a pathway to scale.

Female entrepreneurship in the UK financial sector has grown over the last few decades, fuelled by advances in financial technology (fintech), a shifting cultural landscape, and the

recognition of the importance of gender diversity in driving economic growth. Despite these advances, female entrepreneurs in the financial sector still face challenges, including limited access to funding, underrepresentation in leadership, and structural barriers. On fintech boards, Findexable³⁹ notes that women hold only 11% of Fintech board seats. The presence of women in the UK financial sector has historically lagged behind other sectors due to gender discrimination, with women often relegated to administrative or supporting roles. Legal constraints, such as barriers to property ownership and voting rights, also limited women's economic opportunities. The Big Bang deregulation of 1986 in the UK financial markets led to a more inclusive, competitive landscape and created new pathways for women in finance. This period saw a gradual increase in women's participation in financial services, albeit largely within lower- to mid-level roles. However, by the early 2000s, women in the UK had started to make inroads as entrepreneurs in finance, especially as fintech emerged as a disruptor to traditional financial services. The democratisation of technology and access to digital tools allowed female entrepreneurs to bypass traditional financial structures, reducing the capital-intensive barriers that had previously kept them out of the sector. Ongoing support from the government and some institutions have fostered the progress of women in the finance sector. For instance, the Rose Review commissioned by the UK government in 2019 aimed to address the barriers faced by female entrepreneurs including those in Finance.

Another notable development was the launch of the **Women in Finance Charter** in 2016. The initiative is a pledge by financial institutions to encourage gender diversity and inclusion in the finance sector with four key actions: accountability; targets; reporting; and compensation. Although primarily targeting established companies, it has fostered an environment that also benefits female entrepreneurs by promoting an inclusive culture and expanding opportunities for women throughout the sector.

The **Female founders Fund** is another initiative that invest in early-stage technology companies founded by women. In addition to providing capital, it also provides strategic support and mentorship. Similarly, the **Female Innovators Lab Fund** which was launched by Anthemis in partnership with Barclays, Aviva, Visa, and BMO in 2019 aims to address the

³⁹ <https://findexable.com/2021-fintech-diversity-radar-report-download/>

gender gap in Fintech by providing capital, resources and mentorship to female entrepreneurs in the finance sector. It focuses exclusively on backing women-led fintech companies.

In 2022, the UK government established the Women-Led High-Growth Enterprise Taskforce. This taskforce was established to encourage the next generation of women entrepreneurs to start high-growth businesses. It focuses on addressing the unique challenges faced by female entrepreneurs, particularly in achieving high growth. The taskforce aims to create a supportive environment for women to thrive in high-growth businesses such as those in the tech and finance sectors.

2.2. Key Drivers of Progress in the Finance Sector

Despite the existence of challenges and barriers faced by female entrepreneur in the finance sector, there have been some progress in recent years. This progress has been fostered by a number of factors discussed below:

- **Technological Innovation** - Fintech has provided a fertile ground for female entrepreneurs by lowering barriers to entry and allowing for more agile, digital-first business models. Entrepreneurs like Anne Boden of **Starling Bank** and Romi Savova of **The Female founders Fund** is another initiative that invest in early-stage technology companies founded by women. In addition to providing capital, it also provides strategic support and mentorship. Similarly, the Female Innovators Lab Fund which was launched by services. **Networking and Mentorship:** Female entrepreneurs have
- benefited from a growing number of networks and mentorship programmes tailored to support women in finance. Organisations such as **AllBright** and **Women's Entrepreneurship Day UK** provide essential resources, from mentorship and funding advice to networking opportunities, enabling women to connect with other entrepreneurs and gain insights into industry trends. **Shift to Digital Financial Solutions** - The rise in digital banking, wealth management, and peer-to-peer lending platforms
- has also contributed to the growth of female-led financial ventures. Female entrepreneurs have been particularly successful in customer-centric areas of finance, focusing on user-friendly interfaces, transparency, and accessibility, which resonate with underserved consumer segments.

CASE STUDY: Female Entrepreneur in the Finance Sector

- **Anne Boden, Starling Bank:** Anne Boden is among the most notable figures in UK fintech, having founded **Starling Bank** with a vision of creating a mobile-first, customer-centric bank. Boden's success has paved the way for other women in finance, as Starling Bank became a unicorn, valued at over £1 billion. Her achievements have had a significant impact on encouraging more women to enter the fintech space. Anne now chairs the Women Women-Led High-Growth Enterprise Taskforce.
- **Romi Savova, PensionBee:** Romi Savova founded **PensionBee** to help individuals simplify and consolidate their pension savings. Focusing on transparency and accessibility, PensionBee has grown significantly and went public on the London Stock Exchange in 2021. Savova's impact extends beyond the company itself, as she has been a vocal advocate for consumer rights and financial inclusion.
- **Debbie Woskrow and Anna Jones, AllBright:** AllBright, co-founded by Woskrow and Jones, is a fund and support network for female entrepreneurs across sectors, including finance. The organisation focuses on investment and mentorship for women-led startups and has been instrumental in creating a supportive community that addresses specific challenges female entrepreneurs face.

2.3 Ongoing Challenges faced by female entrepreneurs in the finance sector

- **Limited Access to Capital:** Despite progress, female entrepreneurs still face a significant funding gap. Research indicates that female founders receive a disproportionately low percentage of venture capital, which often stems from gender biases and limited networks within investment communities⁴⁰.
 - **Underrepresentation in Leadership:** Women remain underrepresented in senior leadership and decision-making roles, which affects not only their own companies but also reduces visibility and mentorship opportunities for upcoming female entrepreneurs. Although initiatives like the **Women in Finance Charter** have improved

⁴⁰ See the latest report by the Women-Led High-Growth Enterprise Taskforce <https://www.gov.uk/government/publications/women-led-high-growth-enterprise-taskforce-report>

inclusivity, greater representation is still needed, especially in investor and board positions. **Balancing Family and Business:** Societal expectations around family roles

- continue to impact many female entrepreneurs. Balancing business responsibilities with family commitments often presents challenges unique to women. Progress in flexible work policies and support networks is helping, but family responsibilities remain a significant factor influencing female participation in entrepreneurship.

2.4 Opportunities for female entrepreneurs in the finance sector

Despite the challenges, the landscape for female entrepreneurs in the UK financial sector is becoming more supportive:

2.4.1 ESG and Impact Investing

The role of ESG (Environmental, Social, and Governance) and Impact Investing in female entrepreneurship within the UK financial sector has grown significantly in recent years. This trend is part of a broader movement toward sustainability and ethical business practices, which aligns with the increasing focus on gender diversity in leadership and investment. Female entrepreneurs are playing a key role in driving ESG principles and impact investing, both as business leaders and as beneficiaries of this growing investment category. There are various areas where female entrepreneurship in the financial sector intersects with ESG and impact investing:

- **Alignment with Women-Led Ventures:** many women-led businesses, particularly in the financial sector, naturally align with ESG principles, focusing on long-term sustainable growth, social responsibility, and ethical governance. Research⁴¹ suggests that companies with diverse leadership, including those led by women, tend to prioritise ESG issues more than their male counterparts. This alignment creates a vicious cycle where female entrepreneurs are well-positioned to attract ESG-conscious investors, who are increasingly looking for companies that not only generate financial returns but also make a positive impact on society and the environment.

⁴¹ Al-Shaer, H., Zaman, M., & Albitar, K. (2024). CEO gender, critical mass of board gender diversity and ESG performance: UK evidence. *Journal of Accounting Literature*.

- *Impact Investing and Gender Equality*: impact investing—a strategy that aims to generate measurable social and environmental impact alongside financial returns—has become a significant area of focus for female entrepreneurs in the financial sector. Women are both leading impact investment firms and benefiting from this trend as they build businesses that address social challenges such as financial inclusion, gender equality, and sustainability. A notable example of impact-focused women-led ventures is Ellevest. Although, based in the U.S., Ellevest’s presence in the UK highlights a focus on gender-based investing strategies. Co-founded by Sallie Krawcheck, it empowers women to take control of their financial futures by providing investment opportunities that consider gender-specific financial goals. Thus, making an impact on the lives of women
- *Women in Green Finance*: The growing trend toward green finance financial services that support environmental sustainability—has also seen significant contributions from female entrepreneurs. Women are increasingly leading companies that specialise in green bonds, sustainable asset management, and renewable energy financing. These businesses not only contribute to environmental goals but also provide strong financial returns, attracting ESG-conscious investors. For example, Susie Alier was the CEO of Tandem Bank from 2021 to 2023. She led and completed the successful acquisition of Oplo a consumer lender. Tandem bank prides itself as the UK’s greener digital bank focused on sustainable lending and has a clear ESG agenda, promoting green financial products that help consumers reduce their carbon footprints. Similarly, women-led fintechs like Starling Bank, under Anne Boden, have integrated sustainability into their core offerings, for instance by launching environmentally friendly financial products like biodegradable debit cards and green loan options.
- *Diversity as a Key ESG Metric*: Gender diversity has become an important ESG metric for investors, leading to an increased focus on supporting women-led businesses in the financial sector. Studies have shown that diverse companies perform better financially and tend to manage risks more effectively. This recognition has spurred more capital to flow into businesses with gender-diverse leadership teams, many of which are led by women. As part of the S (Social) in ESG, companies are increasingly being evaluated based on their gender diversity, employee treatment, and commitment to inclusive practices. This trend benefits women entrepreneurs in finance, particularly those who

demonstrate a commitment to fostering diversity within their own companies or who offer financial products aimed at closing gender gaps.

2.4.2 Prominent Female-Led ESG and Impact Investment Firms

Several women-led firms and funds are making significant strides in ESG and impact investing, particularly in financial services. These firms are not only empowering female entrepreneurs but also shaping the future of sustainable finance:

- Alison Rose (CEO of NatWest Group): Under Alison Rose's leadership, NatWest has committed to a strong ESG agenda, particularly in promoting green finance and supporting women entrepreneurs through dedicated funding and initiatives such as the Rose Review.
- Jenny Tooth and Yvonne Greeves lead the Women Backing Women in Business initiatives that aims to increase the number of female angel investors and to support female founders access funding for their business idea. The initiative create impact by providing support and mentorship for women in business.
- Helena Morrissey (Chair of the Diversity Project): Helena is a leader in promoting diversity within the financial industry and has been a key advocate for ESG and sustainable investing through her work with fund management and investment groups.
- Debbie Wosskow OBE and Anna Jones co-founded the **AllBright Fund** which is focused on supporting women-led businesses. It aims to increase access to capital for female entrepreneurs, providing them with the resources needed to scale sustainable businesses.

2.5 Financial Education

Financial education is a critical aspect of fostering female entrepreneurship in the UK financial sector. It plays a pivotal role in empowering women to take control of their finances, manage businesses effectively, and navigate the complex financial landscape, particularly in a sector that has historically been dominated by men. Financial literacy programmes and resources are increasingly being tailored to meet the needs of female entrepreneurs, addressing the unique challenges they face in accessing funding, scaling businesses, and building long-term financial sustainability.

The positive effects of financial literacy on female entrepreneurship in the financial sector are well-documented⁴². Women who engage in financial education are more likely to build successful, scalable businesses and navigate the financial complexities of their industries with greater ease. Furthermore, as more women become financially literate, they contribute to the wider economy by creating jobs, fostering innovation, and promoting inclusive economic growth. For instance, research by the Global Banking Alliance for Women found that when women entrepreneurs receive financial education and support, they are more likely to expand their businesses and access capital. This has a direct impact on their ability to contribute to the financial sector, particularly in areas like fintech, green finance, and impact investing.

- *Gender Gap in Financial Literacy*: Research consistently shows that women, on average, exhibit lower levels of financial literacy than men. According to a study by the OECD (Organisation for Economic Co-operation and Development)⁴³, across multiple countries, men generally score higher on financial literacy assessments than women, particularly in areas like investment and risk management. In the UK, this gender gap in financial literacy translates into fewer women feeling confident in managing financial products and services, which can hinder their ability to start and scale businesses. This gap has been partly attributed to traditional gender roles and societal expectations, where women have historically been excluded from financial decision-making processes, both at home and in the workplace. Addressing this gap through targeted financial education initiatives is essential to empowering female entrepreneurs in the financial sector.

- *Financial Literacy as a Tool for Business Growth*: Financial education equips female entrepreneurs with the knowledge to make informed decisions about managing finances, raising capital, and navigating regulatory frameworks. This is particularly important in the financial sector, where understanding complex financial products and services is crucial for success. Female entrepreneurs who possess strong financial literacy are more likely to:

- *Secure Investment*: Investors often cite financial acumen as a key factor when deciding to fund startups. Women who understand the financial intricacies of their

⁴² Hasan, R., Ashfaq, M., Parveen, T., & Gunardi, A. (2023). Financial inclusion—does digital financial literacy matter for women entrepreneurs?. *International Journal of Social Economics*, 50(8), 1085-1104.

⁴³ https://www.oecd-ilibrary.org/social-issues-migration-health/on-average-men-score-higher-than-women-in-financial-knowledge_7b012eac-en

business are better positioned to secure venture capital and other forms of investment.

Manage Risk: Entrepreneurs in the financial sector face significant risks, from market volatility to regulatory changes. Financial literacy helps women anticipate and mitigate these risks, making their businesses more resilient.

Scale their business: Understanding financial statements, cash flow, and profitability is essential for scaling a business. Financial education programmes that focus on these areas help female entrepreneurs grow their businesses more sustainably.

- Financial Education Programmes Targeted at Women: Several initiatives in the UK aim to close the financial literacy gap by providing women with the tools and knowledge they need to succeed in business and finance. These programmes are often designed to cater specifically to the needs of female entrepreneurs, offering tailored resources that cover everything from business planning and cash flow management to accessing venture capital and understanding financial regulations. For example, the **Female Founders Forum** was established by the **Entrepreneurs Network** and **Barclays** to provide education, mentorship, and networking opportunities for female entrepreneurs. It offers resources that help women navigate the financial challenges of running a business, including managing capital, scaling up operations, and understanding investment opportunities. Similarly, **NatWest's Back Her Business** initiative focuses on providing financial education and support to women starting or scaling their businesses. In addition to offering access to crowdfunding, NatWest provides resources to help female entrepreneurs improve their financial literacy and business acumen.

These programmes recognise the specific barriers women face in accessing funding and scaling businesses and aim to provide the necessary financial skills to overcome these obstacles.

2.6 Barriers to Financial Education for Women:

Despite the availability of financial education programmes, women still face several barriers to accessing these resources:

- *Time Constraints:* Many women, particularly those balancing entrepreneurial activities with family responsibilities, find it challenging to dedicate time to financial education.

- *Confidence Gap*: Studies suggest that women often underestimate their financial knowledge and are less likely to engage in financial education programmes unless specifically encouraged to do so. This confidence gap can prevent women from pursuing further financial education, even when they possess the foundational knowledge to succeed.
- *Access to Mentorship*: While financial literacy programmes exist, access to mentorship and practical guidance is often limited for women. Many successful female entrepreneurs cite mentorship as crucial to their development, yet finding female mentors in the male-dominated financial sector can be challenging.

2.6.1 Gender-Lens Investing

Gender-lens investing refers to the practice of investing with the specific goal of generating financial returns while promoting gender equality, often by supporting women-led businesses, products, or services that benefit women. This type of investment strategy recognises that gender diversity, particularly in leadership and decision-making roles, can lead to better business outcomes and societal impacts. Over the last decade, gender-lens investing has gained traction, particularly in sectors such as finance and venture capital, where there is increasing recognition of the need to address the gender funding gap and promote diversity as a strategic business advantage.

Gender-lens investing is not just about financial returns; it is also about creating broader social impact by promoting gender equality in business and the economy. In the UK, gender-lens investing has been used as a tool to address the gender pay gap, improve access to finance for female entrepreneurs, and increase women's representation in leadership positions. By investing in companies that prioritise gender equality, investors can contribute to societal change, from workplace equality to more inclusive products and services.

One of the most comprehensive initiatives in this space is the Rose Review of Female Entrepreneurship, commissioned by the UK government in 2019. The review identified that closing the gender gap in UK entrepreneurship could add £250 billion to the UK economy if women started and scaled businesses at the same rate as men. Gender-lens investors are using such data to justify their investments in female-led businesses and initiatives that promote gender equality.

Key Components of Gender-Lens Investing includes:

- Focus on Women-Led or Women-Owned Businesses:

Gender-lens investing often targets companies that are either led by women or have significant representation of women in leadership roles. The idea is that women leaders bring unique perspectives to business strategy and operations, which can drive innovation, improve decision-making, and enhance financial performance. Research from McKinsey⁴⁴ has found that companies in the top quartile for gender diversity on executive teams are 25% more likely to experience above-average profitability. In the UK financial sector, female-led businesses, particularly in fintech and sustainable finance, are often the focus of gender-lens investment strategies. Women are increasingly launching startups in areas such as financial inclusion, digital banking, and sustainable investing. One such example is Starling Bank, founded by Anne Boden, which has grown rapidly by offering customer-centric digital banking solutions. Investors with a gender-lens perspective often see such ventures as not only good business opportunities but also as vehicles for driving societal change by promoting greater inclusivity in financial services.

- *Investing in Companies with strong gender diversity metrics:* Gender-lens investors often target companies that have strong diversity metrics in place, such as a high percentage of women on boards or in senior management roles. The FTSE Women Leaders Review highlighted that women now hold 40% of board positions in FTSE 100 companies, a marked improvement from previous years. However, female representation in executive roles remains lower, and gender-lens investors aim to bridge this gap by supporting companies with progressive diversity policies.

Numerous studies, including research from Credit Suisse and Morgan Stanley, suggest that gender-diverse teams tend to outperform their less diverse counterparts in terms of financial returns. For example, the Morgan Stanley Capital International (MSCI) found that companies with strong female representation at the top levels showed higher return on equity and valuations compared to those with fewer women in leadership.

⁴⁴ <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

- *Supporting Financial Products and Services for Women:* Another area of focus for gender-lens investors are companies that develop products and services tailored to the needs of women. This is particularly important in the financial sector, where women have historically been underserved by traditional banking and investment services. A notable example is the rise of fintech startups designed to address the specific financial needs of women, such as PensionBee, a UK-based platform founded by Romi Savova, which helps users, many of whom are women, consolidate and manage their pensions more easily. Financial inclusion is a key area for gender-lens investing, especially in fintech. Women entrepreneurs are increasingly developing solutions aimed at empowering women to take control of their finances, whether through savings platforms, wealth management tools, or access to affordable credit. Gender-lens investors see these ventures as opportunities to both generate strong returns and contribute to closing the gender financial literacy and wealth gaps.

Challenges to Gender-Lens Investing:

Despite the growing popularity of gender-lens investing, there are still several challenges that investors and female entrepreneurs face:

- *Bias in Investment Decisions:* Gender bias remains prevalent in the venture capital and private equity sectors. Investors, both male and female, may harbor unconscious biases that lead them to view women-led businesses as riskier or less scalable. Studies have shown that women are often asked more risk-related questions when pitching to investors, while men are asked more about growth opportunities. This bias can result in women receiving less funding than their male counterparts.
- *Lack of Track Record for Women-Led Funds:* Many investors hesitate to invest in women-led funds or businesses due to perceived risks associated with lack of a track record, despite evidence that women-led companies can perform as well or better than male-led ones. This lack of trust can limit the flow of capital into gender-lens funds and female-founded ventures.
 - *Data and Metrics:* Measuring the impact of gender-lens investing can be difficult, particularly when it comes to assessing social outcomes. Investors need reliable data on gender diversity metrics within companies, and the impact of those metrics on

financial performance. While initiatives like Bloomberg's Gender-Equality Index and the FTSE Women Leaders Review provide some data, many investors still lack sufficient information to make informed decisions.

3 Manufacturing Sector

3.1 Overview of Entrepreneurship in the UK Manufacturing Sector

Female entrepreneurship in the UK manufacturing sector represents an evolving story of opportunity, challenges, and gradual progress. While manufacturing is traditionally perceived as male-dominated due to its technical, engineering, and heavy-industrial focus, women are increasingly breaking barriers by leading businesses, innovating within their fields, and contributing to the sector's modernisation and competitiveness. The manufacturing sector is a cornerstone of the UK economy, contributing approximately £217bn to the UK economy which is approximately 23% of GDP and employing around 2.6 million people⁴⁵. Historically, the sector has been associated with male dominance, particularly in leadership and technical roles. However, the emergence of female entrepreneurs in manufacturing is gradually reshaping this narrative. The UK is home to leading manufacturing industries such as Automotive, Aerospace and Defence, Pharmaceuticals, Food and beverage production. These industries are increasingly being influenced by female entrepreneurs who are spearheading new businesses, embracing innovation, and driving sustainability.

Historically, the participation of women in manufacturing leadership and entrepreneurship has been limited due to societal norms, lack of technical skills, gender stereotypes, and barriers to entry, such as lack of access to funding and networks. Recent data shows that women comprise only 26.1% of the overall manufacturing workforce in the UK, according to Make UK (2023), with even fewer holding leadership roles. Similarly, female-owned businesses represent approximately 16% of all manufacturing SMEs in the UK (*SME Finance Monitor, 2021*). Although this figure indicates underrepresentation, progress has been made in recent years as more women take up entrepreneurial roles in the sector, particularly in specialised areas like sustainable manufacturing, food production, and advanced engineering solutions.

⁴⁵ <https://www.themanufacturer.com/uk-manufacturing-statistics/>

3.2 Key Drivers of Progress in the Manufacturing Sector

- *Rise of Sustainable and Circular Economy Initiatives*

Sustainability is a driving force in modern manufacturing, and women entrepreneurs are increasingly leading businesses that focus on eco-friendly production and resource efficiency. For example, Jacqueline O'Donovan, Managing Director of O'Donovan Waste Disposal, is a leader in sustainable manufacturing practices. Her company is a pioneer in recycling and waste recovery solutions, contributing to the circular economy. This growing demand for greener production methods has opened pathways for women to lead innovative, sustainable manufacturing enterprises, aligning with national targets to achieve Net Zero emissions by 2050 (UK Government Net Zero Strategy, 2021).

- *Technological Innovation and Industry 4.0*

The adoption of advanced technologies such as artificial intelligence (AI), robotics, and 3D printing has transformed manufacturing, creating opportunities for women to enter and lead in these fields. Innovate UK Women in Innovation Awards have supported numerous women entrepreneurs in manufacturing who are leveraging Industry 4.0 technologies. A notable example is Dr. Laura Gilmour's MedTech firm uses 3D printing for manufacturing customised medical devices and implants, combining advanced technology with healthcare innovation. Such development showcases how Industry 4.0 reduces traditional barriers, as women entrepreneurs can focus on high-tech, innovation-driven manufacturing without requiring substantial physical infrastructure.

- *Government-Led Programmes and Initiatives*

Several government and industry-led programmes aim to address gender disparities in manufacturing entrepreneurship. The recent Rose Review (2023) provides actionable strategies to boost female entrepreneurship. Consequently, over 190 financial institutions have committed to improve access to funding for women entrepreneurs by signing the Investing in **Women Code**⁴⁶. Likewise, the Women in Innovation Programme by Innovate UK, provides grants, mentorship, and visibility to female entrepreneurs leading innovative

⁴⁶ <https://www.natwestgroup.com/news-and-insights/latest-stories/enterprise/2023/feb/the-alison-rose-review-of-female-entrepreneurship.html>

businesses, including the manufacturing sector. In 2023, over £50 million was awarded to cutting edge manufacturing projects⁴⁷. **Make UK** the organisation representing manufacturers in the UK has continuously campaigned for Diversity and Inclusion. It actively promotes gender diversity in manufacturing through research, networking events, and skills training. Through their efforts, women now represent 29% of the UK manufacturing workforce compared to 26% in 2016 (Make UK, 2022). The Women in Manufacturing Initiative⁴⁸ was established in 2023 with aims to increase the number and visibility of women in the manufacturing sector, improve diversity and inclusion and to create more networking opportunities for women. These programmes aim to dismantle structural barriers and increase opportunities for women to establish and scale manufacturing businesses.

- *Focus on Women in STEM and Apprenticeships*

The push for women in Science, Technology, Engineering, and Mathematics (STEM) careers is creating a talent pipeline for female manufacturing entrepreneurs. Initiatives such as **WISE Campaign** and **STEM Ambassadors** aim to inspire women to enter technical fields. As of 2022, women represent 35% of STEM graduates in the UK, up from 25% a decade ago. Women-led manufacturing businesses often focus on high-value, technology-intensive niches that require STEM expertise. For example, Dolores **Sanders, Co-Founder, Total Control Pro** and Sarah Black-Smith, General Manager Motion Control and Sustainability Lead at Siemens are prominent figure in the manufacturing sector advocating for women in STEM.

- *Shift Towards Innovation and Niche Markets*

Manufacturing is no longer solely defined by heavy industries. The shift towards **high-value manufacturing** (e.g., precision engineering, pharmaceuticals, food processing, and digital technologies) has opened opportunities for women to enter and thrive as entrepreneurs (**Innovate UK, 2022**). Women entrepreneurs are increasingly engaging in sustainable and eco-friendly manufacturing practices, aligning their businesses with global goals for cleaner production and carbon neutrality.

⁴⁷ <https://www.gov.uk/business-and-industry/business-and-the-environment>

⁴⁸ <https://www.womeninmanufacturing.org/>

- *Digital Transformation and Industry 4.0*

The digitalisation of manufacturing, often referred to as **Industry 4.0**, involves the use of smart technology, robotics, artificial intelligence, and data analytics. These advancements have created new opportunities for women to enter the sector, particularly in areas requiring innovation, creativity, and adaptability.

3.3 Challenges Faced by Female Entrepreneurs in Manufacturing

- **Gender Bias and Stereotypes:** Manufacturing is often perceived as a male-dominated field requiring technical or physical expertise, discouraging women from entering and scaling their business. Stereotypes about technical abilities and leadership skills continue to impact women's credibility in the sector.
- **Limited Access to Funding:** Similar to female entrepreneurs in other sectors, limited access to finance remains a challenge. Female entrepreneurs in the manufacturing sector are less likely to secure venture capital or bank loans compared to their male counterparts due to the huge investment needed in equipment, technology, or scaling operations.
- **Lack of Representation and Role Models:** The underrepresentation of women in manufacturing leadership roles contributes to a lack of visible female role models. Aspiring female entrepreneurs may feel isolated or lack mentors to guide them in navigating industry challenges. Female entrepreneurs in this sector may have difficulty in accessing professional networks, mentors, and industry associations compared to their male counterparts due to the limited number of female leaders.
- **Difficulty in Accessing Skilled Labour:** Recruiting skilled workers is a common challenge in manufacturing, exacerbated for women-led businesses due to limited networks. Smaller female-led enterprises struggle to compete with larger firms for top talent, hindering their growth.
- **Balancing Work and Family Responsibilities:** As with other sectors, many women face societal expectations to prioritise caregiving roles, which conflict with the demands of managing a manufacturing business. Women often experience burnout or need to delay business expansion due to family obligations.

- **Cultural Perception of Manufacturing:** Manufacturing is often associated with heavy industry and labour-intensive work, which can deter women. Female entrepreneurs may struggle to attract investors or customers who perceive manufacturing as unsuitable for women leaders.
- **Lack of Tailored Government Support:** While there are numerous schemes supporting entrepreneurship, few specifically address the needs of women in manufacturing. Programmes may overlook challenges unique to the sector, such as the high capital requirements or technological integration.
- **Technological Barriers in Industry 4.0:** The transition to smart manufacturing (Industry 4.0) requires significant investment in technology and advanced technical knowledge. Women may face barriers in accessing training or funding to adopt AI or robotics in their manufacturing operations.
- **Supply Chain Disruptions:** Female entrepreneurs often run smaller operations, making them more vulnerable to supply chain issues, such as those caused by Brexit or global crises. Disruptions increase costs and delays, disproportionately affecting smaller, women-led businesses that lack large inventories or diversified suppliers.
- **Networking and Industry Inclusion:** Male-dominated networks and organisations may inadvertently exclude women from crucial business connections and partnerships. Women miss out on collaborative opportunities or access to industry knowledge.

3.4 Opportunities for Female Entrepreneurs in the UK Manufacturing Sector

The manufacturing sector in the UK is evolving rapidly, driven by technological advancements, sustainability goals, and supportive government policies. These changes have created numerous opportunities for female entrepreneurs to enter, innovate, and lead in this traditionally male-dominated industry. Below is an exploration of these opportunities.

- **Growth of High-Value Manufacturing:** High-value manufacturing (HVM), which focuses on advanced engineering, precision production, and innovation, is one of the fastest-growing sub-sectors in the UK. HVM emphasises knowledge, creativity, and problem-solving rather than physical labor, aligning well with diverse skill sets. Examples include MedTech, pharmaceutical production, and aerospace technologies,

which require multidisciplinary expertise. Dr. Laura Gilmour, a female entrepreneur, leverages 3D printing to manufacture customised medical devices, showcasing how women can drive innovation in high-value, tech-oriented fields.

- **Focus on Sustainability and Circular Economy:** With increasing global emphasis on environmental sustainability, the UK manufacturing sector is shifting towards eco-friendly production and resource optimisation. Female entrepreneurs can lead in green manufacturing by developing sustainable supply chains, waste recycling technologies, or energy-efficient production methods. Government incentives such as tax breaks and grants for sustainable manufacturing enhance feasibility for new entrants.
- *Adoption of Industry 4.0 and Smart Manufacturing:* Industry 4.0 refers to the integration of smart technologies like AI, machine learning, robotics, and IoT (Internet of Things) into manufacturing processes. Industry 4.0 reduces barriers to entry by emphasising digital skills and technological innovation. Women with expertise in technology or data analytics can capitalise on opportunities in automation, smart factories, and digital supply chains.
- *Emerging Niches in Food and Beverage Manufacturing:* The UK food and beverage sector is thriving, with a growing emphasis on organic, plant-based, and sustainable products. Women entrepreneurs can tap into consumer demand for healthier and ethically produced food items. Niche markets like gluten-free, vegan, and low-carbon food production present lucrative opportunities.
- *Expansion of Export Opportunities:* The UK government promotes exports through initiatives like UK Export Finance and Department for Business and Trade support programmes. Women entrepreneurs can scale their manufacturing businesses by accessing international markets. Sectors such as aerospace, automotive, and high-tech equipment are in demand globally. Female-led companies producing innovative products like sustainable packaging or advanced machinery have successfully entered markets in Europe, Asia, and the US.

- *STEM and Technical Education Advancements:* The growing focus on STEM education for women is addressing the skills gap in technical industries. Programmes like WISE Campaign and STEM Ambassadors encourage young women to pursue careers in engineering and manufacturing, creating a talent pipeline. Female entrepreneurs with STEM expertise can excel in emerging fields like biomanufacturing, robotics, and clean energy technologies.
- *Collaborative and Co-Manufacturing Spaces:* The rise of shared manufacturing facilities and co-working spaces lowers entry costs for entrepreneurs especially women. These spaces provide opportunity for women to start small-scale production without significant upfront investment in machinery or factories. Access to shared resources and networks can accelerate business growth. Organisations like TechHub provide collaborative environments for women to innovate in manufacturing.
- *Changing Consumer Preferences and E-Commerce:* The demand for personalised and customisable products has led to growth in small-scale manufacturing supported by e-commerce. Platforms **like Etsy and Shopify** enable female entrepreneurs to reach global customers with unique, made-to-order products. Businesses in fashion manufacturing, bespoke furniture, and artisanal goods can thrive in such platforms without the need for a physical location.
- *Networking and Mentorship Opportunities:* Women-focused networking groups and mentorship programmes are becoming more accessible. Examples of such networks include; Women in Manufacturing (WiM)z, Make UK Diversity Network, Female Founders Forum. These platforms provide opportunities to connect with industry leaders, secure investments, and share knowledge.
- *Access to Funding and Support Programmes:* Several government and private sector initiatives focus on increasing funding and support for female entrepreneurs. For example, Innovate UK – Women in Innovation provides grants up to £50,000 for innovative business ideas, including manufacturing startups. The British Business Bank

Start-Up Loans offer financial support to small businesses led by women. Similarly, the Rose Review of Female Entrepreneurship aims to improve access to venture capital and mentorship for women.

Case Study: Notable Female Entrepreneurs in UK Manufacturing

Several pioneering female entrepreneurs in the UK manufacturing sector have gained prominence by driving innovation and creating impact

1. Dr. Laura Gilmour – MedTech and Advanced Manufacturing

Laura Gilmour, the founder of a UK-based MedTech manufacturing firm, specialises in producing 3D-printed medical devices and implants. Her company combines cutting-edge technologies with advanced manufacturing processes to provide customised healthcare solutions. Gilmour's contributions reflect how innovation-driven manufacturing is opening doors for women entrepreneurs in high-tech sectors.

2. Jacqueline O'Donovan – Sustainable Manufacturing

Jacqueline O'Donovan leads **O'Donovan Waste Disposal**, a pioneering company in recycling and sustainable manufacturing solutions. By focusing on resource recovery and eco-friendly production methods, Jacqueline has become a trailblazer in sustainable manufacturing, contributing to a circular economy. Her business is an example of how female entrepreneurs can align with sustainability trends.

3. Kate Hills – Make it British

Kate Hills is the founder of **Make it British**, an initiative promoting UK-made products and ethical manufacturing. Her company created a platform connecting UK manufacturers with buyers, providing visibility for small-scale and female-led manufacturing firms. She advocates for sustainable and ethical production, supporting the growth of a "Made in Britain" movement. Hills is considered a pioneer in reshaping the perception of UK manufacturing as innovative, sustainable, and inclusive.

4. **Jenny Holloway – Fashion Enter** Jenny Holloway is the founder of **Fashion Enter**, a social enterprise dedicated to ethical garment production in the UK. Fashion Enter operates a manufacturing factory in London that produces clothing for major retailers like ASOS while providing training and job opportunities. She supports women in the sector by offering apprenticeships and skills training in garment production. Holloway's efforts have revitalised ethical garment production in the UK and supported women to gain technical skills in a sustainable manufacturing environment.

5. **Lara Morgan – Pacific Direct**

Lara Morgan founded **Pacific Direct** is a luxury toiletry and accessory manufacturing company. It specialises in the supplies high-quality products to hotels worldwide, including global chains like Marriott and InterContinental. Lara started the business from scratch and scaled the business to operate in 110 countries before selling it in 2008. She advocates for women in leadership and entrepreneurship through public speaking and mentorship programmes. No doubt her success has inspired other women to enter manufacturing. Her leadership demonstrates how innovative branding and global market reach can drive success in the industry.

SECTION 3

3.1 Key Findings

In the course of our review, we looked at the key trends occurring across all sectors and in society, and then the experience and practices of 3 specific economic sectors: health; finance; and manufacturing. We sought out examples of good practice and specific sector patterns, that were responsible for driving variation in performance and experiences for female entrepreneurs or board members.

The key findings were:

Finding 1 – Improved gender position but the picture is patchy. There are differences sector-by-sector, and place-by-place, and the picture is being developed from ad hoc data sources. This makes identifying unifying trends very difficult. What can be gleaned from these different sources, is an improving situation overall in the last 2 decades, comparative to 1980s-1999. However, on several points, there is sub-parity. Women make up fewer board roles, senior leadership roles, and develop fewer businesses. There is still further work to be done to achieve gender parity in leadership roles and also as we have identified, female businesses.

While the gender pay gap has been narrowing in recent years, the data indicates that significant inequalities persist, particularly in traditional industries such as manufacturing and engineering, or in sectors with a strong – dominant – male profile such as finance. We note the significance of the publication of gender pay gaps data, which has acted as a catalyst for new gender initiatives aimed at improving pay equity and increasing female representation in senior roles. We also note that these need to go further in addressing persistent gaps.

Finding 2 – Gender Disparities in Investment - There is evidence that females are still less likely to receive funding for start-ups and scale-ups, and that arguably, there is gender bias existing in financial ecosystems.

Access to finance is one of the most significant and well-documented barriers facing entrepreneurs, not only in the UK but globally. The ability to secure funding, can limit the

start of a new enterprise or scale-up potential. The British Business Bank note that only 2 per cent of venture capital investment goes to all-female founder teams, compared to 88 per cent for all-male teams. Put another way, it notes (2020) that for every £1 of venture capital investment, all female founders team receive less than 1p.

Perhaps as a result, women entrepreneurs are more likely to self-fund their business growth, drawing on personal savings (55%). As the Rose Review of Female Entrepreneurship acknowledges, this missed opportunity could add a further £250bn to the UK economy if mobilised through suitable investment channels.

Finding 3 – Black Female Leaders - The position is worse still for Black Female business owners and leaders. Just 28 per cent of Black Women are entrepreneurs. Just 0.7 per cent of senior board roles (chair, senior independent director, chief executive officer, and chief financial officer) across FTSE companies are held by women of colour (25 women across 3452 roles)⁴⁹. This rises to 1.5 per cent for FTSE 100 companies.

Finding 4 – Societal Norms - Societal and cultural barriers play a significant role in hindering the entrepreneurial aspirations and success of women. These barriers are deeply embedded in gender norms. We find evidence of successful mentoring and support schemes cutting through societal expectations. Notably, ‘Women in Finance Charter’, Barclays ‘Female Founders Forum’, NatWest’s ‘Back Her business’ initiatives, which have extended financial support to broader campaigns and financial support for female education and start-up. Also, ‘Women Code’ and ‘Women in Innovation’ initiatives by Innovate UK. As such, there are exemplars in gender-lens investment but the support is insufficient for the scale of the problem.

We also find societal norms stretching into micro spaces of homelife. There is evidence of for example, women still needing to balance business opportunities with family commitments. This is exacerbated by legal and policy frameworks that effectively, close off opportunities for childcare, maternity support, and social security systems. It raises concerns that the policy and financial systems in the UK, prevent the latent potential of female founders.

⁴⁹ <https://wbdirectors.co.uk/diversity-research-report/>

Finding 5 – E-commerce and Digital Opportunities. The rise of e-commerce, digital platforms such as FemTech, together with burgeoning areas of sustainability, and social entrepreneurship has provided women with new avenues to build successful businesses. We find notable evidence of growing enterprise in social innovation contexts, in green sectors and in technology spheres, such as digital health, fin-tech, and fem-tech.

Finding 6 – Sector Representation. Sector representation and market access are critical factors influencing the success of female entrepreneurs in the UK. Despite increasing numbers of women starting businesses, this is not uniform across sectors. We find that education and skill development are important pathways, and sector profiling and campaigns can be decisive in shaping skills choices and ultimately, opening up or closing entry for females into certain sectors. We note the importance of gender parity in educational pathways.

3.2 Recommendations

Our recommendations comprise a 10-point plan of practical initiatives that respond to the key findings noted above. These are designed to open-up partnership approaches to provide short- and medium-term uplift in female entrepreneurship and business leadership.

Recommendation 1 – Digital and E-Commerce Opportunities

Digital transformation and e-commerce growth have opened-up wealth-owing opportunities for women entrepreneurs to. The COVID-19 pandemic cemented digital services and platforms as an enduring field of entrepreneurship. Online platforms such as LinkedIn Learning, Coursera and Bumble Bizz, provide excellent business tools, skills, and networking for women to move into the digital arena. Mentorship and support networks are also pivotal. We recommend working alongside ‘Women Who Tech’ and ‘SheEO’ and for access to tailored programmes, as well as the platform support from e.g., ‘Cherie Blair Foundation for Women’ and ‘Intuit’ to provide the digital platforms to support women in moving into the digital economy.

Recommendation 2 – Female-targeted Finance Opportunities

With women entrepreneurs often facing barriers in accessing traditional finance, alternative financing options and gender-lens investment opportunities need to be developed, which expand on crowdfunding, peer-to-peer lending, and angel investment, which remain too small to accommodate the expansion of female entrepreneurship.

Crowdfunding platforms such as 'Kickstarter' and 'Funding Circle' offer opportunities for women to raise capital outside traditional banks, particularly for creative, innovative, or community-based ventures. 'Invest in Women Taskforce' and the 'Female Founders Fund' are working to address the funding gap and support female entrepreneurship but more and fresh solutions need to be developed to invest in this demographic.

We welcome the 'Female Founders Forum' (established by the Entrepreneurs Network and Barclays) in education, mentorship, and networking to expand awareness of investment opportunities (see also Nat West's 'Back Her Business') but more partnerships are needed to expand the supply of opportunities for this growing field.

Support is also needed to accommodate the rise of women-led social enterprises, which require more nuanced financial packages.

Recommendation 3 – Support Systems

Networking and mentorship initiatives for Women are critical to entrepreneurial success – both for start-up survival and scale-up. We note the success of *the 'AccelerateHER' Hub* in supporting female entrepreneurs in healthcare through targeted mentorship, networking opportunities, and some access to funding. Whilst other organisations such as 'Allbright' and 'Women's Entrepreneurship Day UK' provide support services, we recognise the benefit of developing industry-focused hub activities with a range of education, mentoring, and financial services.

We especially applaud the development of the 'Female founders Fund' in investing in early-stage technology companies founded by women, and the 'Female Innovators Lab Fund', which help to provide one-stop service solutions for strategic support, mentoring, and investment. These provide the type of support systems that we recommend mainstreaming.

Recommendation 4 – Targeted Campaigns.

Acknowledging the growth of ‘Women in STEM’ and Tech campaigns for women leadership roles and women entrepreneurs in traditionally male-dominated industries, we encourage other sectors and industries to develop targeted campaigns to increase female representation.

Recommendation 5 – Emerging Areas for Future Support

Much of the ‘female solo’ and ‘gender lens investment’ projects are reactionary to the gaps in the market. To prevent future gaps emerging, more needs to be done to plan for service provision and opportunities in areas of emerging growth. The growing interest in women’s health and technology-driven opportunities in women’s health (Fem Tech) continues to grow year-on-year. This will be an important area in which finance, support, mentoring, and even ancillary services and education will be needed over coming years, to ensure the UK does not miss out on this latent potential.

Recommendation 6 – Downstream Education Development

Immediate consideration needs to be given to the role of educational opportunities in ensuring more equitable enterprise and leadership activities. We applaud the investment in ‘Women Code’ and ‘Women in Innovation’ programme by Innovate UK, but more substantial work is needed with Further and Higher Education providers to mainstream these approaches. The United Nations (2023) notes in particular, the impending problems arising from male dominated careers in digital fields, which limits digital parity, estimated to prevent \$1tr of GDP.

To supercharge an equitable digital future, more is needed in educational campaigns, entrepreneurship opportunities, and resident experts, and secondments aimed at women, to expand female entry into this male-dominated sphere. On the demand-side, more can be done by technology, to create tech opportunities that meet the needs of women and girls. (Technology reflects its creators so when females are excluded from technology and innovation spaces, digital solutions often fail to meet their needs).

Recommendation 7- Strengthen the Pipeline for Executive Roles

Women remain underrepresented in executive leadership roles such as CEO and CFO, limiting their influence on corporate boards. To address this, companies should implement structured

talent development pipelines that identify and sponsor high-potential women early in their careers. This includes formal mentorship programmes, leadership training, and board-readiness initiatives. Succession planning should incorporate gender diversity targets, and progress should be tracked through performance indicators. Partnerships with business schools can also provide targeted executive education opportunities.

Transparency in promotion pathways and evaluation criteria is vital to eliminate bias and provide women with a clear roadmap to leadership. By embedding these practices into corporate culture and accountability frameworks, organisations can ensure a robust pipeline of women leaders equipped to step into board roles.

Recommendation 8- Set Sector-Specific Gender Representation Targets

Findings reveal that while some sectors have improved gender representation on boards, others—such as technology, finance, and manufacturing—continue to lag significantly. A one-size-fits-all approach to gender diversity does not address these disparities. Therefore, sector-specific gender representation targets should be introduced to accelerate progress where it is most needed. These targets should be developed through collaboration between industry regulators, government bodies, and corporate stakeholders. They must be realistic yet ambitious, considering historical data, current performance, and the specific challenges faced within each sector. Targets should be complemented by regular progress monitoring and publicly reported outcomes. Tailored gender targets will help level the playing field across industries, hold businesses accountable, and drive systemic change towards balanced board representation in all economic sectors.

Recommendation 9- Mandate Transparent Board Recruitment Processes

Opaque and informal board recruitment practices disadvantage women by reinforcing closed networks and unconscious bias. To counter this, companies should adopt transparent recruitment policies that publicly advertise board vacancies and outline clear selection criteria. Incorporating structured, competency-based evaluations can ensure appointments are based on merit and not personal connections. Board nominating committees should be required to shortlist at least one qualified female candidate for every vacancy. Furthermore,

regulatory bodies can play a role by mandating disclosure of board recruitment processes and gender diversity outcomes in annual reports. These measures would create fairer opportunities for qualified women and enhance board effectiveness by promoting diverse perspectives. Transparent recruitment is a critical step toward achieving genuine inclusion at the highest level of corporate governance.

Recommendation 10- Improve Data Collection and Public Reporting Robust data is essential to monitor progress and drive accountability in gender diversity efforts. However, many companies do not report beyond basic board-level statistics, making it difficult to assess the full picture of women’s advancement within corporate leadership. To strengthen transparency, firms should be required to disclose gender-disaggregated data on board composition, executive roles, leadership pipelines, and promotion rates. These disclosures should be standardised and included in annual reports, allowing for comparison across sectors and over time.

This level of reporting enables stakeholders—including investors, regulators, and advocacy groups—to evaluate corporate commitment to gender diversity. It also highlights gaps and helps identify where interventions are most needed. Transparency increases accountability, encourages continuous improvement, and builds public trust. Mandatory and consistent reporting frameworks would ensure that gender diversity is not treated as a one-off achievement but as a sustained, measurable goal integrated into corporate governance practices.

3.3 The Missing Entrepreneurs

Women entrepreneurs represent a significant, untapped potential for industrial growth. In Canada, this missing potential has been estimated by the OECD⁵⁰ to be as many as 121,000. This represents as much as \$2.4bn from the economy. Public policies at national, regional, and local levels, together with industry-targeted

⁵⁰ OECD/European Commission (2023), *The Missing Entrepreneurs 2023: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, <https://doi.org/10.1787/230efc78-en>.

initiatives would serve to support further economic use of this latent potential, as well as addressing areas of current under-performance of female entrepreneurs:

In the UK, roughly 60 per cent of all small businesses fail within their first three years, and around 4 per cent fail in their first year of operation.

- 4% of new businesses cease trading by the end of their first year.
- The failure rate rises significantly to more than a third (34%) by the end of the second year and to half (50%) within just three years of opening.
- 48% of businesses fail within the first five years.
- Only 5% of businesses make it to their 10-year anniversary.

Common reasons for underperformance include cash flow issues, competition, and difficult journey between start-up and scale-up.

