

3 key challenges women entrepreneurs face

South Africa needs more women entrepreneurs and business owners to help tackle local unemployment, breathe innovation into lacklustre sectors, and help drive economic recovery in the country. For this to occur, certain hurdles have to be overcome.

By [Divya Vasant](#) 16 Mar 2021



Divya Vasant

Women-owned businesses have a vital role to play in helping to address unemployment and assist in driving positive economic growth. In fact, back in 2015 already a McKinsey Global Institute [report](#) found that the global economy would grow by \$28 trillion by the year 2025, if women were able to participate in the labour force to the same extent as men.

While women are able to create their own startups and SMMEs within a range of sectors and industries, the ability to grow their businesses, and ensure business continuity during challenging periods is made even more difficult by a number of obstacles.

Here are the main stumbling blocks facing female entrepreneurs as well as ways in which to help alleviate these.

#1 - Lack of access to finance

Female-led companies have more limited access to finance when compared to their male counterparts.

According to the World Bank, a whopping 70% of formal women-owned small to medium businesses located within developing countries, report being shut out by financial institutions or are unable to access financial services to satisfactorily address their business needs, resulting in an estimated annual credit shortage of \$1.5 trillion.

To help address this challenge locally, to ensure that more women are put into positions to help provide more economic opportunities for their peers, government entities including the Department of Small Business Development must allocate larger funding towards the building and sustainment of these small businesses and importantly place women at the helm of these funds to direct investment into other women. More generally, the more women in decision-making positions within funding organisations both public and private, the more money will flow to women-founded enterprise.

Corporate South Africa can also play a larger role in actively incubating women-led business through offering access to market, working capital support and deliberately including more women-led suppliers into supply chain strategies. Amazi launched an incubation programme through which the social impact brand funds the startup, growth and support of entrepreneurial talent among females of colour within the wellness industry.



RESEARCH REPORTS

Report reveals female entrepreneurs are making progress in SA

15 Mar 2021



#2 - Lack of access to market

Tied in with the above problem is access (or rather lack thereof) to market. Female entrepreneurs cannot obtain access to the physical spaces they require to provide services and sell their innovative products. This is due to the fact that the gate keepers for these commercial spaces usually require a myriad of things including a history of trading, an immaculate credit record and connections with building owners and property management companies. In many cases, small businesses subsidize the rental of big “anchor” tenants because space is charged by the footfall you can attract.

Women-led business cannot bear the burden of having been priced out of the market for so long. As a country, we’ve encouraged more women to start businesses but we haven’t addressed the systemic barrier that women would need to overcome. If more women are to be economically included, the same systems that prevented women from starting businesses, getting access to funding, access to market, need to deliberately subsidize this access so that we work toward equal economic access.

Through its incubation programme, Amazi for instance, provides female entrepreneurs within wellness with access to commercial space at highly affordable rates, in order to help establish their brands and their business, that gives them an opportunity to create a history of trade that builds a foundation for growth. This model of support can be and should be emulated within other industries as well to help overcome this hurdle.

#3 - Lack of access to knowledge

While there might be a cornucopia of business and entrepreneurial knowledge accessible online, not a lot of this has been created from a women’s perspective, instead the content has been created from a man’s experience about how he is navigating a man’s world in sustaining and growing his business.

This contributes to feelings of doubt that women and specifically, women of colour have. We simply need more access to content available that speaks to these women, and helps build their confidence, while presenting success stories of those who’ve launched their entrepreneurial dream. To help equip female entrepreneurs for the challenges they will face and empower them with the knowledge they need to address those challenges, Amazi directly tackled this issue with the launch of its Virtual Knowledge Hub for women of colour.

This hub imparts business knowledge and skills to these women, who also gain the invaluable insights and collective learnings from the entrepreneurial journeys of their peers which is something that they will find particularly relatable, impactful and supportive while on their own business paths to success.

Funding is simply a step in ensuring success behind any business venture, but resilience lies in the continued support by locals, government and corporate SA to see it grow. Supporting local startups not only revives the economy, but creates further opportunities for others to enter the market and make their own way.

ABOUT THE AUTHOR

Divya Vasant is the CEO and co-founder of Amazi

For more, visit: <https://www.bizcommunity.com>