

## CHAPTER 3

# Key Issues Affecting Women-owned SMEs: Case Studies

The case studies in this chapter look at how selected women's businesses and organisations from all over the Commonwealth have addressed some of the key issues that women entrepreneurs have identified as challenges that they face. The studies have been divided into six sections (access to finance, access to markets, access to information and training, access to policy-making, access to technology and equity issues). However, this division is something of a false one since there is obviously a great deal of overlap between them. For example, there is a clear connection between access to information and to the new information and communications technologies (ICTs). Similarly, access to markets is not possible without information and training – or finance, for that matter. Certain issues re-appear whatever the issue area, such as the importance of networking or the different way that women do business. In fact, all the issues are inter-linked, and the lack of access in any one of these areas hinders the ability of women entrepreneurs to succeed, particularly in today's globalised marketplace.

### **Access to Finance**

#### ***Introduction***

The Grameen Bank in Bangladesh is one of the best known formal micro-credit schemes. The majority of its borrowers are women, who typically have less access to credit than men. This holds true in most Commonwealth countries, partly because women will generally have fewer assets that they

can use for collateral. For this reason, as well as the discomfort micro-enterprise owners may feel in dealing with formal banking institutions, women in many developing countries have formed their own means of saving and borrowing money. To be able to participate in the more traditional and informal savings schemes, such as the Susu scheme, the women have to have access to community networks and be able to make a daily contribution. By breaking savings down into very small but regular contributions and collaborating on saving funds, it becomes possible for women to accrue small amounts of capital to invest in their businesses.

Increasingly, non-profit organisations are springing up to provide more formal micro-credit options for rural and urban women. Often they are based on peer collateral models, in which groups of five to ten women stand surety for each other. The drawback is that if one member defaults, the rest of the group has to repay the bad debt. That said, women micro and small enterprise owners have an incredibly good track record for repayment, and for putting the funds they obtain through micro-credit schemes to good use by successfully growing their businesses. If and when women micro-entrepreneurs do default, it is often due to a death or illness in the family, or as the result of a natural disaster. Typically, they will only risk what they know they can afford to lose, and only gradually develop confidence in their ability to repay larger loans. This results in slower, incremental growth that is often more sustainable and can be the most effective strategy for this size of enterprise.

The most identifiable shortcoming of many micro-credit schemes is that they often only target micro-enterprises that are operating at a subsistence level. They generally do not look at strategic ways to help support the growth of micro-enterprises into small or medium-size businesses. It is therefore interesting to see, in this case study, how traditional micro-credit schemes in Ghana have evolved into a hybrid lending institution that combines some of the protections of the formal financial institutions with the more informal aspects of the traditional community-based schemes. This shows the importance for women of having access to a range of credit services, so that they can choose the credit vehicle that most suits their needs and stage of business development.

***Case study: Savings and loans schemes, Ghana***

*by Grace Otoo-Kwadey*

***Overview***

Between 75 to 85 per cent of Ghanaian women are engaged in farming, petty trading or the activities of micro/small enterprises and cottage industries, or they work as domestic servants and market porters. Many have to work at more than one economic activity to survive. They will often supplement their paid or agricultural activities with trading and/or business activities.

One of the greatest challenges that businesswomen in Ghana face is obtaining access to affordable credit. It is common knowledge that the formal banking system has not been of much benefit to women who operate micro and small enterprises. There are several reasons for this. One problem is that credit is often unavailable to such women at all, because they cannot provide the necessary documentation to demonstrate the viability of their businesses. They may only have a mental record of this information. In addition, many small-scale businesswomen cannot provide collateral in the form of land as either they do not own any or they do not have formal title.

Another problem is that the formal banks are housed in big, imposing buildings that tend to intimidate small-scale business owners, who often have low levels of literacy and/or come from humble circumstances. These entrepreneurs tend to feel very self-conscious and out of place among the apparently better educated and better dressed people whom they encounter at these banks. Whether the women business owners come to deposit money or to withdraw it from their accounts, they often feel humiliated because they cannot handle the associated paper work. To make matters worst, tellers will often discuss a woman's business within the hearing of other people, and the attitude of bank officials sometimes conveys the message that they find the small-scale women business owners a nuisance. Finally, women often cannot afford to take time off to stand in the long queues that remain a feature of the Ghanaian formal banking system.

In short, the traditional formal banking system has not been customer-friendly for this type of saver/borrower. For this and other reasons, women-owned micro and small enterprises and low-income earners have had to

turn to friends, family members, philanthropists or loan sharks, as well as other sources, in order to finance initial capitalisation or expansion of their businesses. The success of the new-style financial institutions in Ghana hinges on the fact that they combine all the attractive features of traditional schemes with the security of formal banking. It is a winning combination. Support from several UN Agencies (UNDP, UNIDO, UNCTAD), the World Bank and bilateral donor agencies has helped in the establishment of many of the existing services.

### ***The Susu Scheme***

One option that the small-scale businesswomen in Ghana have developed as an alternative and affordable source of credit is the Susu Scheme. This is a traditional savings and loan scheme that operates in two basic variations. One variation is a form of personal protected savings and the other is a joint revolving fund.

#### ***a) Individual Protected Savings Scheme***

In this system, each participant decides the amount that she would like to save and makes daily contributions to a central pot of money that is held by someone else. At the end of the month, each participant is given back all of the money that they have been able to save that month minus a 'service fee' that ranges between two to four days contributions. Contributing a small amount of savings on a daily basis, to which they only have access on a monthly basis, allows the women to save more than would be possible if they were holding the funds themselves. It helps them defend these funds from the demands made by the other priorities in their lives, as well as from other family members. With the individual protected savings scheme, a contributor can decide to drop out of the scheme at any time.

#### ***b) Revolving Savings Fund***

In the second variation of the Susu Scheme, a group of women agrees to contribute a fixed sum to a central fund each day. At the end of the month, between one and three members of the group receive all of the funds contributed by the entire group that month. Each revolving fund member has to agree to stay within the group and continue their daily contributions until every member of the group has had a turn at receiving the group's combined monthly savings. By joining in a group savings scheme, the

women are able to obtain access to a much larger sum of money, at a specific time, than would be possible if they tried to save the money entirely on their own. Again the need to meet their commitment to the group means that the money is more likely to be set aside for savings than if it were simply being set aside by an individual for their daily needs.

In both scenarios, the members have to make regular contributions over specified periods before they became eligible for loans. The range is between twenty to fifty people in a club, with a typical Susu Scheme having thirty to forty members.

The Susu Schemes have been in existence for fifty to sixty years. They were started by small groups of people in the community, usually friends, who got together and started a daily savings scheme. Initially, they elected the most trustworthy member of the group to keep the monies. This practice evolved into individuals (usually men) starting their own schemes and recruiting members into their groups. It is interesting to note that while about 98 per cent of the Susu Masters are men, 99 per cent of their contributors are women.

### ***Credit unions***

The credit union system is more formal and operates within the framework of the Co-operative Credit Unions. Members meet regularly to make savings contributions, receive loans and discuss welfare matters. The credit unions were started by groups of people who had some experience of how credit unions operate. Their affiliation with co-operative societies also provides a credible framework for their operations. A typical credit union in Ghana has between 100–150 members, about 80 per cent of whom are women.

### ***Comparative benefits***

The Susu Schemes are convenient for many female micro and small enterprise owners. The Susu Master comes round to their homes or place of work every day and collects that day's contribution. Being able to make small contributions on a daily basis makes it easier for women to save. There is no paperwork to handle, so low literacy levels are not a barrier. Business is transacted in an easy and friendly manner. There is no officiousness and no red tape. Nor do the women feel judged or looked down upon.

The Credit Unions provide other services, such as making arrangements for cheaper, bulk purchases of commodities for their members and additional financial support for critical family events such as marriage, childbirth and bereavement.

***Drawbacks of alternative sources of credit***

Women who obtain credit from friends, family, philanthropists or loan sharks often find themselves with a heavy debt burden and/or an obligation to their benefactors. In some cases, in addition to paying off these debts with or without exorbitant interest the women are obliged to grant sexual or other non-financial favours.

In the Susu Schemes, the Susu Masters sometimes run off with the money. Some Susu Masters keep the group's monies at their homes, where it is vulnerable to theft and at risk of being chewed by rats or lost due to fire or floods. Sometimes, too, the Susu Masters are robbed while out on their daily rounds. Once they receive a loan from the clubs, some Susu contributors drop out of the scheme, and the Susu Master has to take on the unpleasant duty of sometimes acrimonious debt collection.

To start a credit union, members need to have a reasonable amount of knowledge about how a credit union functions, and some connection with the credit union movement. This tends to limit the initial participation to the better-educated members of the community.

***New savings and loans institutions***

The traditional scenarios outlined above have been improved so as to reduce or eliminate the drawbacks while maintaining the advantages of the schemes. An increasing number of Susu Masters, for example, are depositing the saving contributions in the bank, and many have also started to do their rounds in the company of at least one other person to minimise the risk of theft and assault. However, the real excitement in Ghana has been the relatively recent emergence of savings and loans institutions that operate in the financial services sector, outside of the formal banking system. The first tentative steps towards establishing these kinds of non-bank institutions were taken in the 'formal' financial arena in the late 1980s.

By the beginning of the 1990s, several of these institutions had been

established and the Financial Institutions (Non-Banking) Law – PNDCL 328 – was passed in order to provide a legal framework for their activities. The law came into effect in 1993 to ensure that the business community came closer to operating a form of institutional credit and deposit mobilisation, and to reduce the amount of excess liquidity in the country in a more regulated and transparent manner.

The law sought to regulate nine different scheduled institutions and covers the business activities of discount houses, finance houses, acceptance houses, building societies, leasing and hire purchase companies, venture capital funding companies, mortgage financing companies, savings and loans companies, and credit unions. Under the provisions of PNDCL 328, the Central Bank has supervisory authority over all matters relating to the business of all non-bank financial institutions licensed by it.

In addition to government's regulatory and supervisory relationship, most of these licensed institutions also belong to a voluntary body, the Association of Non-Bank Financial Institutions (ANFI). Membership of ANFI ensures that these institutions operate within the law and provide satisfactory service to their customers. Its principal objectives include:

- promoting the interests of all non-bank financial institutions;
- promoting the operations of all non-bank financial institutions;
- liaising with the Central Bank and other regulatory agencies on matters concerning all non-bank financial institutions; and
- educating the public about the services of non-bank financial institutions.

The principal feature of these savings and loan institutions is that their services are targeted at, and indeed modified to suit, micro and small enterprises. Most of these institutions are located in market places so as to be accessible to their customers. The intimidation engendered by the 'forbidding edifice' is thus eliminated. They reach out to their customers by sending their staff into the community to collect the savings in the manner of traditional Susu Schemes. While some of their customers are individuals, others are Susu Clubs that access the institutions' facilities as groups and then pass the resulting benefits on to their members. After a short period of regular savings, a customer becomes eligible for small loans appropriate to their needs, with security collateral tailored to their circumstances.

## **SOME LESSONS LEARNED**

The more successful these alternative financial institutions become in their outreach programmes, the quicker their customer base and businesses will grow. Therefore it is necessary to expand these credit schemes and raise their lending ceilings to accommodate the growth of their customers. The innovative outreach services from the alternative non-bank financial institutions are available largely to the urban micro-business operators and low-income earners. There is an urgent need to find a means to reach the rural population as well.

The challenge will be for them to modify their services to suit the way of life of the rural woman, and the fact that their rural clients are more widely dispersed and geographically isolated. One of the key factors in the success of the urban schemes is that the customers are engaged in businesses and occupations that bring in some money every day. They are therefore able to make the daily payments without feeling the pinch. However, most rural women are farmers or some other kind of agricultural workers. Their income is largely seasonal and there may be times when it would be very difficult to make regular payments. Therefore, they would need access to a form of savings and credit that can accommodate a savings contribution and loans plan that can fluctuate with seasonal income patterns.

The savings and loans institutions, and other informal financial institutions that provide financial services targeted specifically at women-owned micro and small enterprises and low income earners, need to look seriously at the provision of training for their clientele. These training programmes should aim to raise literacy levels; upgrade basic skills; raise awareness of new ICTs and disseminate information about the available technology for time and labour saving and improvement of products; and raise awareness of business development schemes that are available for the benefit of women entrepreneurs. The institutions also need to provide business advisory, counselling and mentoring services for their customers.

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At the present time, there are seven institutions in Ghana that belong to ANFI. These are: Citi Savings & Loans Co Ltd, Women's World Banking (Gh) Ltd, Central Savings & Investments, Kantamanto Savings & Loans Co Ltd, First Allied Savings & Loans Ltd, Johnsons Savings & Loans Ltd and Union Savings & Loans Co Ltd. Each of these institutions currently serves between 15,000 and 25,000 clients, both individuals and groups. The principal services they provide include: savings mobilisation; loans (both short term working capital and personal loans); hire purchase schemes including micro-leasing for equipment financing; and export and import trade financing.

## **Access to Markets**

### ***Introduction***

While there are a growing number of businesswomen involved in the SME sector in Commonwealth countries, they still represent only a small proportion of all women who are economically active. Especially in developing countries, the vast proportion of women who engage in market activities do so as micro-entrepreneurs or own account workers in the informal economy. Recent statistics show that the share of the informal sector in the non-agricultural labour force is 45 to 85 per cent in different parts of Asia and nearly 80 per cent in Africa, and that the majority of producers in this sector are women. Contrary to previous expectations, the informal economy continues to grow during periods of economic growth rather than shrink, and the links between the informal and formal economies are becoming stronger and more complex as globalisation proceeds.

Women's traditional craft skills are often undervalued, with sewing and handicraft work often poorly paid. However, a number of Commonwealth countries have been particularly successful in developing their handicraft sector and generating significant export revenue. The key challenges for handicraft workers is the marketing of their products, knowing what designs to create for a foreign market, being able to meet large orders and distributing their orders in a timely fashion. The means and ability to overcome these issues are often beyond the capacity of the small-scale craft worker.

The first case study in this section looks at the Women's Trade Centre (WTC) – established by the Self-Employed Women's Association (SEWA) in

Gujarat, India. The WTC helps rural women involved in producing traditional crafts or collecting and processing natural resources to increase their output and profits by linking directly with national, regional and global markets. The type of mentorship programmes SEWA recommends would be an important first step towards creating an environment in which micro-enterprises can transform themselves into sustainable and larger scale enterprises. This would go a long way towards building upon the immense amounts of energy, innovation and sheer hard work that goes into most women-owned businesses.

The second case study looks at another innovative approach to helping small craft workers through working collectively. The Talking Beads Academy takes on the job of design research, product marketing and distribution without individual workers having to invest a lot of additional funds or time. Each craft worker works as a sub-contractor to the company and is paid by the number of completed items they produce. On the surface it appears to be a form of piece-work; the difference is, however, that each craft worker can determine how much work she is willing and able to do. She can also work in the autonomy of her own home or workspace. And because the mother company combines both for-profit and non-profit activities and works with poor rural women, it is eligible to receive government and donor funding to assist, for example, with the cost of training.

This type of business development model has proven to be successful in multiple settings, even when the business does not have access to government or donor funding. Participants can potentially earn more than they would doing the equivalent work elsewhere, and also gain an opportunity to learn about goal setting and how to establish and run their own businesses with the money that they are saving. Many more women entrepreneurs are thus brought into today's global economy. This example demonstrates that it is possible to be in business and treat workers, of all types and at all levels, fairly.

**Case study: Women's Trade Centre, India**

by Dr Marilyn Carr<sup>1</sup>

**Overview**

Typically, the self employed – or own account – women workers in India operate in isolation and without any access to information or economic resources and assistance which could help them to break out of a vicious circle of poverty. Unaware of market prices, and often unable to move around in search of markets, they are at the mercy of middlemen who exploit them and pay very little for their produce. The poorer and more remote the women are, the greater the probability of exploitation. Similarly, unaware of the government services available to assist them, the majority struggle throughout their lives without the benefit of any assistance. Apart from the hardship involved for the women and their families, this also has far-reaching implications for the economy as a whole as it represents a huge waste of human resources. Organisations such as the Self-Employed Women's Association (SEWA) and Women in Informal Employment: Globalising and Organising (WIEGO) are advocating to change this situation and to provide support systems and access to markets for women in the informal sector.

**Background**

In India, as in many other Commonwealth countries, women's share in the SME sector is on the increase. There are now several very successful national and state level businesswomen's associations, such as the Consortium of Women Entrepreneurs in India (CWEI), which have been established to promote women's businesses. This is done through a variety of activities, including trade fairs and information exchanges, as well as advocacy for positive changes in the policy environment for women entrepreneurs. Through such activities, India's businesswomen are increasingly able to link into growing regional and international markets for their products and gain access to the economic and other resources they need to compete in the global economy.

However, the women who run SMEs in India are only the tip of the iceberg. As in many other developing countries, the vast majority of women

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<sup>1</sup>Sources: Indian Institute of Foreign Trade (1999); United Nations (2000).

involved in entrepreneurial activities are operating as own-account workers or micro-entrepreneurs in the informal sector of the economy. Recent statistics show that, of women in the non-agricultural labour force in India, 91 per cent are in the informal sector. They carry out a wide range of activities including handicrafts and food processing (*The World's Women 2000: Trends and Statistics*). This huge pool of entrepreneurship has survived so far in an environment of neglect, and at times of hostility. While businesswomen in the small and medium scale sector have certainly had their problems, these are nothing compared to those of the millions of women in the informal sector who, in order to survive, must daily try to find markets for their products.

Yet many families are totally dependent upon a woman's income for their survival. For this reason alone, the informal sector merits a great deal of attention, and the idea that informal sector businesses can make the transition to formal sector status and sustainability needs to be re-examined. Legislation and institutional policy needs to be changed to reflect this economic reality rather than continuing to focus on the support of salaried, formal-sector employment, where there is more likely to be some degree of regulation and labour standards. Working to help women-owned micro-enterprises become more sustainable and/or attain small and formal sector status would be an almost guaranteed way to generate increased employment and prosperity for many Commonwealth countries.

For example, recent attempts by Indian statisticians to capture the economic contribution of the informal sector have shown that it already contributes over 40 per cent to the Gross Domestic Product (GDP) and a similar percentage of total export earnings (Indian Institute of Foreign Trade, 1999). If the small producers/entrepreneurs in this sector were given even some support, they could contribute much more to India's economic growth and development. There need to be more sex disaggregated labour statistics to ensure that their contribution is noted and taken into account in national and multilateral policy development and resource allocation.

It is in everyone's interest to find a way of assisting grassroots entrepreneurship, and everyone, including NGOs, government and the private sector, has a role to play in the process. What is really needed are good models of how the process can be facilitated. One such model has been developed by the Self Employed Women's Association (SEWA) in collabora-

tion with the global network Women in Informal Employment: Globalising and Organising (WIEGO).

### ***SEWA links craftswomen to local markets***

The Self-Employed Women's Association (SEWA) is an Indian Trade Union that supports the economic and related activities of low-income women workers and producers. Over the past thirty years, SEWA has built its membership to over 300,000 in both urban and rural areas in the State of Gujarat. Although it started as a trade union, and still follows a unionisation approach where appropriate, it has also found it necessary to adopt other approaches. These include the formation of production and marketing co-operatives, especially in the poorest rural areas in the north of the state where women tend to work at home on their own rather than being employed as wage workers.

The largest group of these own-account producers are skilled craftswomen who have made traditional embroidered and patchwork items for generations. In this drought-stricken area, where there are few economic opportunities either for men or for women, income earned from the sale of craft products represents a major, and often the only, source of income for many families. However, the areas are remote and transport limited, and women have been at the mercy of middlemen to reach markets to sell their products. The income they received, if in fact they ever got paid at all, was very small in relation to the work involved in producing items for sale. SEWA has now changed all of that. Through a well-organised marketing infrastructure, it links 15,000 craftswomen (now federated at the district and state levels) with their own market outlet in Ahmedabad, where they receive a fair price for their goods. Currently, producers receive 65 per cent of revenue. In addition, through SEWA's marketing efforts at the state and national levels, the traditional products of these artisans are receiving increased attention and the buying public values their work more highly. This is reflected in the higher prices paid for their products.

### ***The need to look further afield***

While SEWA's existing marketing programme has already resulted in enormous benefits for thousands of women in the very poorest parts of Gujarat, there is a need to do even more. With increased profits from craft work, more women artisans are returning to this type of work. However, they still

need to increase their returns to guarantee a decent livelihood for themselves and their families. The local Gujarat market is simply too small to provide a sustained source of livelihood for the numbers of producers involved, and so SEWA has been looking further afield – initially at the all-India market, but also at the export market. SEWA has mounted several exhibitions in Delhi and other major Indian cities, as well as in France and Spain, and undertaken limited marketing visits to North America. In this process of reaching more distant markets, the need to adapt traditional products to varying consumer tastes has become very apparent. SEWA has drawn on the expertise and advice of a talented Indian fashion designer who, in addition to running her own very successful crafts operation and retail business, provides advice on product design to rural craftswomen.

After the recent earthquake in Gujarat and the prospect of yet another drought, SEWA has become conscious of the urgent need to gear up its efforts, to break through into regional and international markets in order to provide its members with the opportunity to benefit from the globalisation process. They have realised from their limited experience with export marketing to date, however, that this is easier said than done. Involvement with Alternative Trade Organisations has been of limited benefit since the markets are so small. Attempts to break into commercial markets have also met with limited success, due to the difficulty of keeping abreast of rapid changes in consumer tastes in North America and Europe, and the difficulties in meeting large orders when they do come in. In addition, competing in international markets often means having to sacrifice traditional ways of working rather than building on and preserving these skills. SEWA wants the craftswomen to be able to preserve their traditional skills, but at the same time be able to produce marketable products which have been designed to suit contemporary tastes and needs.

### ***The Women's Trade Centre***

To help its members break into international markets effectively, SEWA decided to create a Women's Trade Centre. Established in 1999, the centre has been operating in a limited way with a seed grant from the Canadian International Development Agency (CIDA). SEWA has also been able to secure grant funds from the International Finance Corporation and is seeking equity to enable the centre to become fully operational, and eventually self-financing by the year 2007.

The objectives of the WTC are to: create global networking and partnerships for micro-entrepreneurs (initially craftswomen); provide information inputs regarding consumer preferences and market trends; and create new marketing linkages through e-commerce and other channels.

Although SEWA sees the grassroots women entrepreneurs eventually managing the export process themselves – rather than just being producers who make what they are told – they realise that it is very difficult for informal sector women to jump immediately into mainstream markets. Thus, initially, they see the centre as a ‘buffer’ that will absorb the pulls and pressures of market forces while also guiding and helping grassroots women carve out a niche in the market.

While SEWA is very clearly able to handle all aspects of the production process in India itself, staying abreast of trends in key markets is a more difficult proposition. It involves more than just sending designers from India to other countries, or inviting designers from other countries to visit India to work with Indian designers and artisans. Experience shows that this strategy is simply insufficient to deal with the difficult task of adapting products to the ever-changing demands of northern consumers. As a result, SEWA asked Women in Informal Employment: Globalising and Organising (WIEGO) for assistance to develop effective marketing strategies in North America and Europe. WIEGO is a worldwide coalition of institutions and individuals concerned with improving the status of women in the economy's informal sector.

### ***WIEGO's strategy***

WIEGO hopes to assist SEWA in developing an effective marketing strategy in two ways. First, it will promote the establishment of permanent advisory committees consisting of commercial production designers, retail experts, business development experts, export marketing specialists and media. The committees' activities would be co-ordinated by SEWA/WIEGO staff persons located in North America and Europe. Second, it would encourage existing campaign groups, such as those lobbying for codes of conduct, socially responsible business and anti-sweat shops, to channel some of their time and energy into educating northern consumers on the benefits of buying traditional artisanal products of high quality at higher prices, as a way of promoting growth and alleviating poverty.

## **SOME LESSONS LEARNED**

Although the Women's Trade Centre initiative is still in its infancy, there are already some important lessons that can be learned from it.

While businesswomen in the SME sector have been able to help their own cause to a certain extent, micro-entrepreneurs are in a much more vulnerable position and need a great deal of support from government, NGOs and the private sector if they are to progress beyond very low productivity activities. At the same time, it is possible to organise thousands of widely dispersed producers in such a way that they can meet the demands of overseas buyers while retaining a degree of autonomy and control.

Established businesswomen have an important role to play in the process of mentoring grassroots entrepreneurship, through making their experience and expertise available. This is often economically advantageous for the businesswomen themselves, if they see themselves as being part of the global commodity chains that can only function efficiently if grassroots suppliers are operating efficiently. With increased globalisation, it is necessary to form alliances of business and professional women in Commonwealth countries, in both the North and the South, if all women-owned enterprises are to flourish and grow.

The Women's Trade Centre in Gujarat is seen as a pilot that SEWA hopes to replicate elsewhere in India. There are plans for similar centres in five other states through other grassroots organizations and government departments. In addition, WIEGO, through its international network, is taking the lead in identifying locations where the model can be replicated elsewhere in the world.

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This strategy will obviously draw on the expertise of highly-skilled businesswoman and professional women in the North. Contacts have already been made with several relevant women in Canada and with key institutions, such as the Resource Centre for the Social Dimensions of Business Practice, in the UK. Thus, there will be a chain comprising businesswomen in Commonwealth countries at three levels: the grassroots women micro-

entrepreneurs in India; the Indian businesswomen who provide assistance in terms of product design and other ways; and the business and professional women in the North who act as a constant source of unbiased advice on Northern markets. In establishing such a chain, SEWA and WIEGO hope to demonstrate how it is possible for grassroots women to participate in global commodity chains in which they have some measure of control, rather than simply becoming the invisible and disposable workforce of the retail-driven chains that are characteristic of the global garment industry.

### ***Case study: Talking Beads Academy, South Africa***

*by Tembeka Nkamba-Van Wyk*

#### ***Overview***

Launched in May 1997, Talking Beads is an economic venture by rural women in South Africa. Its objectives are to create job opportunities for rural women; to preserve South Africa's rich cultural heritage; to pass the knowledge of beading to the younger generations to ensure continuity of the tradition; and to explore markets elsewhere in the world.

What makes Talking Beads a unique business is that it combines competitive business practice with donor agency and government poverty elimination measures, and works on both a for profit and non-profit basis in its different components. It has also been highly successful in terms of creating employment for rural women and helping them to become economically independent.

#### ***Staffing and development***

Talking Beads began with just two women. It now employs ten full-time staff and has 2,016 women members who work on commission. The company also sub-contracts the services of an administrator, a legal expert and an accountant. The full-time staff are involved in marketing, procurement of orders, product development, packaging and the on-going training of new members. This frees up the members of Talking Beads to focus on the production of beadcraft, as well as ensuring that there is a market for the products that they produce and that the product designs are marketable.

The women that Talking Beads hires on commission are all from poor rural areas. On joining the team, new members are trained in beadcraft and

basic business skills. They also learn how to cost products and services competitively and receive training in managing and documenting business records, customer relations, tendering and packaging. With the support of USAID, Talking Beads has also begun to offer its members training in basic computer and Internet skills.

Since its inception, Talking Beads has trained more than two thousand members. Its innovative work and approach have been honoured and widely recognised with many awards and nominations, both within the handicraft industry and in the wider business community.

### ***Core business focus and funding***

Talking Beads operates as both a for-profit company and as a non-profit organisation. Its non-profit wing is named Ngezandla Zethu (with our hands) and is the host section for training courses. The for-profit division is responsible for marketing and ensuring sustainability. Talking Beads manufactures gifts, trophies, tabletop items and clothing made from traditional materials in a modern and user-friendly way. These products include beaded pens and love/AIDS letters, as well as beaded jewellery, corporate logos, cell phone covers, beaded cutlery and wineglasses, lighters and hurricane lamps. It also manufactures national flags for various embassies and designs exquisite African clothes from South Africa designs. It has elevated traditional designs into elegant couture, fit for international use.

### ***Approach to critical issues***

Most women in South Africa are disadvantaged when it comes to starting their own business. The key obstacles they face include lack of business skills, lack of knowledge related to appropriate costing, lack of access to information due to low literacy levels and lack of access to funding. They often have limited knowledge of product markets, particularly in the craft industry where women often produce very traditional items that are not always marketable. Frequently too the same item is made by many women, which then lowers the product value due to over-saturation of the market.

Talking Beads offers training to address some of these issues, and has initiated forums and discussion groups in which women begin to re-examine their approaches critically and share information. The company invites independent business people to help the women evaluate their

## **SOME LESSONS LEARNED**

The success of Talking Beads shows that poverty is not permanent but rather that, as entrepreneurs, women can break the cycle of poverty. It is also not necessary to wait until one can generate a large budget to start a successful business. In this case, government commitment to a poverty alleviation fund helped the entrepreneurs receive training, participate in exchange programmes and explore overseas markets. Even if it is not monetary, however, government support is vital since government policies can create an enabling atmosphere

Partnerships between entrepreneurs, government bodies and the private sector are important to ensure co-ordinated training strategies. Good communication among stakeholders is vital at all times. The private sector also needs to be sensitised to and willing to absorb products since local markets are as vital as international ones. A local media that is sensitive to gender and development issues can play a key role in creating confidence in product promotion. It is therefore vital to maintain an excellent relationship with the media.

While international trade missions and shows are excellent ways of introducing products to global markets, it is also important to have agents in targeted countries to ensure marketing success. There need to be champions in the country where the initiative will be introduced. Developing alliances with those who carry similar products can help reduce product duplication and multiply efforts. For example, Talking Beads has set up linkages with other countries in the region that carry similar products in order to ensure fair-trading agreements. The company is willing and able to help implement similar projects at regional level and within other Commonwealth countries.

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performance and provide them with feedback. It has also initiated negotiations with local radio stations to both promote its products and make business programmes more accessible to rural women. In 2001, Talking Beads presented a paper at a National Consultative Workshop on Organising and Mobilising South African Women Entrepreneurs in Johannesburg. The workshop offered a practical opportunity for women entrepreneurs to voice pertinent issues, co-ordinate their strategies for working together and

foster business growth. The funding issue is particularly critical, because when women entrepreneurs receive large orders for their products, they often do not have the collateral required by formal lending institutions to finance their interim costs. As a result, they have to give up the orders.

### ***Developing markets***

Talking Beads has access to local and international markets. Its key local focus includes the private sector, government and para-statal bodies, and private individuals. Internationally, it has agents in Malaysia and the United States, and export markets in Japan, Italy, Germany, Saudi Arabia and, most recently, Poland. South Africa has recently formed a new body to work on co-ordinating a marketing strategy for rural arts products, locally and internationally.

## **Access to Technology**

### ***Introduction***

The study of rural telecentres makes reference to the technological revolution that is totally changing the way the world communicates – and does business. The analysis of the virtual trade mission highlights just what some of these changes are, while that of Starfish Oils Limited evidences these changes by showing what even a small company can achieve using good quality web-based marketing. A critical theme in all three of the following case studies is that these new information and communication technologies (ICTs) are just tools. Their power to transform is not taking place in a vacuum. In each case it was the building of local partnerships and organisational structures that made it possible for ICTs to make a difference. A rural telecentre would not happen without a strong management team, and also government and community support. Equally, the virtual trade mission model depends on local organisers to help identify potential trade mission participants. To make effective use of ICTs, businesses need to have in place specific structures and ways of working. It is not enough for their marketing person to take part in a virtual trade mission; they also need to be capable of the intensive follow-up required. What ICTs can do, however, is open doors to information and contacts that would not ordinarily be within reach of small enterprises through more traditional means of marketing.

Equal access to the Internet is the subject of a great deal of debate. The rural telecentres model in Australia is a good example of how isolated communities can work to gain access to the new ICTs and 'get connected'. That said, access will continue to be a challenge for many women-owned businesses in the Commonwealth. Many are located in rural areas where access to the Internet may be limited or non-existent. Even urban businesswomen may have difficulties obtaining a phone line or may find the cost prohibitive. Many will also need skills training to be able to take advantage of these new technologies. The high cost of purchasing the hardware and software required are also issues that tend to affect women to a greater degree than they do male business owners simply because, in most countries, women have less access to credit. These are all challenges that can be overcome by governments, financial institutions and civil society organisations. What is needed is the political will that recognises that these issues are of key importance to economic growth and sustainable development. Once women have more equitable access to ICTs, they can use their skills at building contacts and networking to develop their own competitive edge and way of doing business.

### ***Case study: Rural telecentres, Australia***

*by Karolee Wolcott*

#### ***Overview***

Australian farmers understand and accept the ups and downs of the economy in the same way that they must accept the unreliability of seasons. Traditionally, the Australian farmer's response to adversity was to work harder for longer, cut expenses to the bone and try to hold out until the good times returned. Both the good times and the bad were characterised by hard physical labour. Planning was rudimentary and confined to a narrow range of traditional ideas. Farmers accepted the role of luck as a major factor determining their success or failure and the idea of managing risk was all but unknown. Not surprisingly, in this very conservative environment, the role of farm women was very limited. This 'underutilised resource' worked tirelessly at child-rearing and domestic duties, and filled in as farm labour whenever needed. Seldom, if ever, were women thought to be capable of turning a business in difficulty into a profitable one with a bright future.

### ***Life in the outback***

Life on the land in outback Australia has always included commodity booms and busts. In the early 1970s, however, it was to become a great deal more difficult and by the end of the century, more than half the farm families were gone. One of the events driving this great upheaval was the ICT revolution. Ironically, it was this same phenomenon that would ultimately underpin the success of those still working the land. The surge in globalisation in the 1970s, as well as the acceptance in Australia of trade liberalisation by governments of both the Right and Left, set the stage for a seemingly endless run of ever lower commodity prices. At the same time, with inflation only partly tamed, input prices moved steadily upward. Profits were squeezed for all, with many businesses slipping into a terminal spiral of losses.

Clearly, the time had come to start working smarter rather than harder. If ICTs could drive changes that adversely affected agricultural profitability, why couldn't they be used to enhance it? At that time almost no one had the time, the know-how or the cash to embark on such a project. That it did, ultimately, go ahead was due to the fact that a second, very different revolution was taking place concurrently with the technological one: Farm women had begun to expand their traditional roles to include those of business partner and financial manager.

### ***The impetus for change***

In 1992, the Department of Primary Industries and the Energy, Agriculture and Forests Group provided funding of AUS\$2.8 million over a four-year period to establish demonstration telecentres in rural and remote communities. The project aimed to show the uses to which modern computers and related ICTs could be put, and to improve the economic, social, educational and training opportunities in these communities through better information access and communications. Government guidelines required that applicants demonstrate:

1. that the proposal had reasonable prospects of generating employment and business development within the community and met a clearly identified set of local needs;
2. that the proposal could demonstrate sufficient local support and thus a good chance of success;

3. that the proposed telecentre could cover its operating costs in the longer term, after some assistance in the start-up phase;
4. that a viable business plan had been produced, reflecting the information contained in points 1, 2 and 3, and which identified the following: the telecentre's general operating policies, the likely users of or markets for the telecentre services and the associated employment and business impact; how local people would be informed of the telecentre, and how its services would be promoted and marketed generally; and
5. that there would be a competent management team in place to manage, promote and develop the telecentre in accordance with the business plan.

### ***The first days of the Cavendish Tele-Education Centre (CTEC)***

In Cavendish, an outback town in the state of Victoria, the bringing together of a management team and the process of applying for funding for a local telecentre were an effective way for farm women to meet other people while supporting their local community. A project of this sort, begun with almost no precedent, provided plenty of opportunities to make serious mistakes. The fact that, to a great extent, these mistakes were avoided was primarily due to the fact that the government's application process was a rigorous one. Although initially resented by the community, it was a thorough process that, with the assistance of an enthusiastic local Agricultural Department representative, resulted in steady progress toward the ultimate goal of establishing the telecentre.

One of the first hurdles the core management team had to overcome was securing some local funding for the project. Feedback from the government confirmed that although they were prepared to consider a request, at least some of the funds had to be sourced locally. Because of the long-running economic difficulties, however, there was simply no way the local farm families or townspeople could afford this.

Eventually after some negotiation, the Agriculture Department agreed that local funding could be 'in kind' – in the form of time and skills that the community volunteered to the project. A second 'win' for the team came when it was confirmed that an old, disused school building would be made available to the project, at no cost. With a large-scale conversion job ahead

– which included relocating and remodelling the building, laying new foundations and painting the interior and exterior – the ‘in kind’ support proved invaluable. All labour and materials were donated.

To secure government funding, there were further requirements that had to be met. A management team needed to be set up and a team leader elected; meetings had to be held on a regular basis to monitor the programme and resolve problems as quickly as possible; and financial records needed to be kept, ensuring all incoming and outgoing monies were strictly accounted for. The entire application process took almost two years to complete and culminated in the government agreeing to provide CTEC with AUS\$85,000 over four years. With this funding, the management team had to purchase four computers as well as ancillary hardware and software, a photocopier and a suitable telephone system. They also needed to cover the wages of a part-time co-ordinator, and establish and market the telecentre as a training and business centre. This meant the management team and co-ordinator were very much learning ‘on the job’. So too were the volunteers who had come forward in sufficient numbers to ensure the building’s completion and the success of the project. Some of these volunteers were skilled, but many initially were not.

### ***The measure of success***

The Cavendish Tele-Education Centre operated for five years. During this time, it progressed from a part-time business (with the co-ordinator working Tuesday through Thursday, and volunteers opening the Centre on Mondays and Fridays) to a full-time operation. It was a notable success of the project that, on a number of occasions, the willingness to volunteer was rewarded with salaried employment as some of the women progressed from an unpaid position to paid work in the community. Over time, the number of computers was increased from four to eight, and the money found to purchase a laminating machine and a GPS (Global Positioning System). CTEC was also able to increase its secretarial services to include work for the local school and local government and generate revenue by producing résumés, brochures and other similar items. All the while, the CTEC was continually updating the skills of the local community. After five years, the CTEC merged with two neighbouring projects so as to be able to extend its services to a greater number of people and therefore ensure its long-term survival.

In 1998, the Western Australian Telecentre Network documented that, in fifty rural community-based and run telecentres, the direct benefits to the community included:

- 225,000 people visited the telecentres during the year in order to use their services;
- 25,000 of those who visited the telecentres used the e-mail post office facility;
- 200 units of study were accessed through telecentres;
- thirty community newspapers were compiled, edited and distributed from telecentres;
- a labour market office was located in every telecentre in the network, and access to job placements for the long term unemployed was made available throughout the network;
- two universities had established a presence in telecentres;
- banks that were closing in communities were being relocated in the telecentres;
- telecentres were being used for trials in tele-health and tele-law.

Looking back at what was achieved in Cavendish, it should be remembered that this was a very big project for a very small community. Although the need for a telecentre was obvious as a means to modernise old, unprofitable ways of thinking and doing things, it had been far from obvious for the local community how to set up and manage this kind of venture. The CTEC's impact has been tremendous. As well as improving access to ICTs for the entire community, the telecentre has meant that rural women have had greater access to on-line learning, and have been able to develop their own businesses, both within and beyond their immediate community. The community in Cavendish is also rightly proud of the fact that, from the outset, its telecentre had been designed to become self-sufficient by the time the initial public sector support had ended. That the women of this part of rural Australia achieved this kind of result is a great tribute to their spirit and determination.

## **SOME LESSONS LEARNED**

The telecentre brought with it significant changes on many fronts, not least a shift in consciousness regarding the role of women and the community's sense of identity. In managing its relationship with the wider community, the management team had to address the community's general resistance to the idea of the telecentre as a 'for profit' organisation, rather than a community-based service that was available for free. Added to this disquiet was a certain amount of community sensitivity that the telecentre might compete with a local photocopying business. To avoid this, it was necessary for the management team to agree not to compete on price for this service. More fundamental and significant, however, was the recurrent problem of men, and even occasionally women, opposed to the idea that a mostly women-led business should start up in their community. Ignoring this entrenched prejudice proved to be the best strategy as, by the time the project was completed, it had ceased to be a problem.

In both the short and longer term, the most important factor in the success of a project of this sort – one that is completely new in concept and purpose – is the skills and motivation of the team leader. She must be prepared to work tirelessly on the project and take every opportunity to inspire the other team members and the community. She must be resilient enough to accept criticism and setbacks. As the management team worked towards establishing a fully functioning telecentre, they learnt that leadership must also include an element of mentoring, in this case so as to ensure a smooth succession from the management team to the salaried telecentre co-ordinator. It was also learnt that detailed job descriptions are essential, as every team member and employee, especially the co-ordinator, must know what is expected of them, and must read and understand the job descriptions of the other members of the team.

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***Case study: Virtual trade missions, India***

*by Uma Reddy*

***Overview***

Through the use of the Internet and video-conferencing, information on product services can be disseminated in real time, at any time, across all continents. This advance is particularly important for Indian women entrepreneurs, as many have little or no capacity to participate in trade fairs or other traditional export efforts. With globalisation, many products made by women entrepreneurs can find larger markets outside of their own country, but only if they can obtain access to such markets at much lower costs. Thus the use of an electronic marketing tool such as a virtual trade mission is an attractive approach, with the potential for triggering improved growth for their businesses.

***The need to find new markets***

In the era of trade globalisation and the opening of Indian markets, marketing strategies have assumed the utmost importance. Due to strong new competition, entrepreneurs have to identify new ways to extend their market reach. Historically, Indian entrepreneurs have focused on niche markets as this is where they usually have an edge. However, with the increased competition that globalisation has brought, these local niche markets are under threat and here is a need to look for new markets overseas. India has immense potential for exports, not least because particular Indian products and services are now being recognised in foreign markets for their quality and pricing, and are in the process of developing their own brand equity. Indian entrepreneurs who intend to import raw materials, products or services, and use them in the manufacturing of end products that can be either exported with value added or sold within the domestic market, also need to develop networks in foreign countries.

Obstacles to finding overseas markets may include, in the first instance, problems getting information and identifying potential buyers. There could also be difficulties understanding an overseas buyer's requirements in terms of volumes, specifications, pricing and delivery schedules. Even if the entrepreneur decides to face all these hurdles, she still has to commit a lot of resources to cover the cost of repeated visits to prospective contacts overseas and/or to participate in costly international trade fairs. As a

result, the interest in participating in such fairs and exhibitions, or even exporting in general, has usually been limited to the larger companies. Most SMEs simply have not seen the development of export markets in this way as a viable option. This is especially the case for women entrepreneurs, as the majority of India's women-owned SMEs are concentrated at the smaller end of the scale. However, with the advent of new ICTs, it is now possible to develop a cost-effective alternative to traditional trade fairs, in the form of the virtual trade mission.

***Virtual Trade Mission (VTM): The concept***

A virtual trade mission (VTM) uses technology to help smaller companies that cannot afford to make risky and expensive 'fishing trips' to international trade events by significantly increasing the probability of success in developing trade, while minimising the real costs as well as the opportunity costs. It is important to keep in mind, however, that the VTMs do not fully replace participation in regular trade fairs; rather, they act as an enabler, complementing the 'in person' trade fairs. Initial contacts and discussions on-line help to establish credibility and focus client attention on the efforts at regular trade fairs. They also help entrepreneurs to decide whether participation in other types of trade fairs would be beneficial or not.

The VTM concept used by the project in India was developed and put into practice by Trade Builders Inc. The Trade Builders Virtual Missions™ replicate the traditional trade mission process and facilitate the development of business relationships on-line. This process can result in business deals at a fraction of the usual cost of developing and conducting international business, and has been designed to create international business opportunities for businesses that currently import and/or export or are import/export ready. The virtual meeting takes place via the Internet, using custom-designed browser-enabled conferencing software, supported by a professional technical support team. The process involves creating virtual spaces, in the form of web sites, electronic billboards, confidential electronic meeting rooms and so on, for product and service listing and display, and for buyer-seller interactions. This can be either one-to-one or one-to-many.

The technical requirements for VTM participants are relatively few. Participants must have an e-mail address and access to the Internet, with an Internet browser such as Netscape 4.0 (or later) or Microsoft Explorer

5.0 (or higher). When they have filled out an on-line trade-readiness survey, and subject to them having met the established criteria, each participant receives a personal mission site access code with instructions.

### ***Focus and objectives of the VTM***

The prototype for the Trade Builders Virtual Mission™ was first pioneered in a test between Canada and Malaysia. To maximise visibility and impact – and the likelihood of signed letters of intent and deals – the first India/US virtual trade mission focused on the information technology (IT) sector. It included highly qualified business owners, mainly from the states of Karnataka in India and Maryland, Virginia, and Washington DC in the United States. India has emerged as a strong force in IT and the United States is the largest market for its products and services. Since the mission was to be the first of its kind between India and the United States, the Association of Women Entrepreneurs of Karnataka (AWAKE) planned this first VTM as a pilot project. One of its principal aims was to raise awareness of virtual trade missions in general, and promote their advantages in terms of building international trade. As such, its key objective was the exchange of information between participants rather than a display of products and services to a larger audience. The VTM therefore focused on SMEs, as this type of business was identified as needing greater exposure. This first VTM, though focused on women, had a mixed target group. This was because the VTM is intended to be a precursor to a conventional trade fair, and the VTM organisers felt that if the mission addressed only women entrepreneurs it would limit the markets that the participants could access.

In the long term, this type of trade mission generally helps to:

- increase the number of SMEs interested in international trade;
- increase their trade readiness, trade competency and success rates in closing international deals;
- increase participation in a very cost effective trade process that will improve their comfort level with 'going global' while expanding their geographic reach;
- demonstrate a business's integrity and develop the relationships and high level of trust that are required to do business in other countries;

- provide collateral opportunities with domestic companies, which will include local supporters and sponsors of the mission;
- develop relationships with participating government entities, organisations and associations, as well as trade intermediaries and corporate consortia; and
- broaden a business's exposure to trade, joint venture, partnership and foreign investment opportunities, and increase sales and revenue by virtue of deals made.

### ***The organisers***

A virtual trade mission needs organisers, at both ends of the chain, who can work together in a strategic alliance and identify potential participants. They must ensure that both sets of participants – buyers and sellers – are well matched if the VTM is to facilitate new business transactions. The two groups involved, AWAKE and Trade Builders Inc., initially met at a conference organised by the Organisation for Economic Cooperation and Development (OECD). Their ongoing co-operation resulted in the VTM between India and the United States.

#### **• AWAKE**

Established in 1983, the mission of the Association of Women Entrepreneurs of Karnataka (AWAKE) is 'to empower women, through entrepreneurship development, to improve their economic condition'. AWAKE achieves its objectives through business counselling, and entrepreneurship and management development programmes. AWAKE believes that, in the initial stages of developing their businesses and to help them establish a good foothold in the market, women entrepreneurs benefit most from support that is specifically targeted at them. Beyond this, in the growth stage, women entrepreneurs need to be part of the mainstream economy in order to understand and succeed within the wider competitive environment. To enable women entrepreneurs to be more competitive in the global market. AWAKE informs them about the various issues arising from policy changes and related new developments. The VTM is one such effort.

An affiliate of Women's World Banking, New York, and a recipient of the prestigious International Agfund Award, AWAKE has a membership base of

eight hundred women and a large national and international network. It leverages its widely developed network of partners and clients for all its activities so as to reach out to as many organisations and entrepreneurs as possible. In organising the VTM and ensuring its success, AWAKE worked with the Electronics and Computer Software Promotion Council, set up by the Indian government through its the Ministry of Information Technology, and indiamarkets.com, India's largest and most comprehensive Business to Business web site. Both partners were of immense help in terms of providing the trade mission organisers with a database of potential participants.

• ***Trade Builders Inc.***

Trade Builders Inc. is based in Washington DC, and aims to help companies 'go global' through its Internet portal. The first official Trade Builders Virtual Mission™ was hosted on-line in 2000. It included women-owned companies that offer business services in Canada and the United States. The primary objective was to test the VTM process and ICTs, while the secondary objective was to offer participants access to new markets and networks and increase their trade readiness. The direct result of this first mission was the signing of twenty-two letters of intent among forty-one companies in Canada and the United States.

***Participation in the VTM***

The first India/US VTM was for entrepreneurs involved in IT products or services who had been in business for more than two years. AWAKE enrolled 26 participants from India, against a target of 25, and Trade Builders Inc. enrolled 30 participants from the United States.

Critical to the success of the mission was the stipulation that each participant company put forward one mission participant who was either the CEO or an employee who was empowered to make and sign business deals. Applicants were selected on the basis of their location, industry sector, level of trade readiness and commitment to closing deals. The organisers in both countries found that on-line participation was much higher from the Indian side. The event was hosted by Trade Builders Inc. on their own web site, using state of the art technology. Participants were able to develop trade relationships, exchange information about their products and services, as well as their strengths and capabilities, thereby establishing their credentials. The initial hesitation and inhibition among Indian

entrepreneurs about dealing at the international level gave way to a new-found confidence in both themselves and their products and services.

### ***Video conferencing***

A one and a half hour video conference during the final weeks of the VTM provided mission participants with the opportunity to follow up their preliminary discussions. The video conference enabled Indian and American entrepreneurs to speak to each other directly and better understand each other's concerns and requirements. Participants discussed the possibilities for trade and the impact of the slow down in the US economy on their sector. The Indian participants assured the American participants of 'quality products at competitive rates'. The video conference helped move the process of negotiation forward, and increased the possibilities of letters of intent being signed between interested parties. There was also a meeting between high level e-delegations from the public and private sector of both countries. The delegation promised support to the participants on both sides in terms of policy and incentives for growth of the sector.

### ***The lasting impact of the VTM***

On this occasion, the VTM was not the prelude to a regular trade fair, as would typically be the case. Participants therefore needed to make their own decisions and arrangements as regards the means and timing of any follow up. As a consequence, it may take these VTM participants longer to turn prospective business into a letter of intent and that intent into actual orders. That said, within weeks of the VTM, some Indian participants had already confirmed dates when they would visit companies in the US and the first transactions had already been finalised.

Apart from the benefits of introducing SMEs to newer and more cost effective ways of entering into export markets, the first India/US VTM has created a model which can be easily replicated in the future for the benefit of trade with different countries. There has already been a 'multiplier effect', with other agencies in India adopting the VTM concept.

As one of the organisers, AWAKE has benefited greatly from this experience. It now has the ability to offer a unique value-added service to Indian SMEs, and has increased its profile and credibility by demonstrating that as an organisation it was able to provide extensive input into the develop-

ment of the VTM process, through surveys, on-line conferencing and face-to-face meetings. The event has also given AWAKE an insight into market research and early intelligence reports on global best practices concerning SMEs and trade, and has helped develop relationships with other participating government entities, organisations, associations, trade intermediaries and corporate consortia.

On the basis of this experience, AWAKE would like to open up VTMs with other countries, and extend this facility to other industry sectors, in the belief that increased use of VTM could aid businesses in all sectors in developing trade relations with other countries.

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### **SOME LESSONS LEARNED**

The virtual exchange process provided the participating businesswomen with insights into the levels of professionalism and competence that overseas buyers require. In turn, this caused many of these women to reflect on their own business practices, and encouraged them to mentally benchmark their products and services. Overall, it made the participants more aware of their strengths and weaknesses, and showed them how to remedy the negative aspects of their business and develop the positive aspects.

The VTM event also proved that women entrepreneurs can use ICTs to greatly reduce the costs of marketing their products and services overseas. This development makes international markets potentially accessible to any entrepreneurs who have the vision to use this technology to extend their business' reach.

The VTM can be a prelude to a trade fair, if launched a month or so beforehand. In that situation, the participants can visit each of the web sites of the companies that will be represented at the fair and use the VTM as a platform for preliminary discussions. This process can help companies fine-tune and adapt their presentations, based on market needs. They could then go to the trade fair to sign MOUs, letters of intent or even transact orders. Participation in this pre-trade fair process would help each company develop a more focused approach to trade delegations, at a nominal cost.

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### ***Case study: Starfish Oils, Jamaica***

*by Sandra Glasgow*

#### ***Overview***

Recent innovations in telecommunications have made it possible for even the smallest companies to compete on a global scale. Starfish Oils Limited is a small, woman-owned firm that has used technology as a means to grow its business, in a way that would not have been possible without access to new ICTs.

#### ***A therapist turned businesswomen***

Sharon McConnell-Cooke started dabbling in the production of unique, therapeutic blends of body, bath and massage oils when she returned to Jamaica in 1993 after a year's absence. Qualified in aromatherapy – the art and science of using essential oils to relax, balance and stimulate the mind, body, and soul – she was determined to forge ahead with her dream of using these oils to create 'something special'. She therefore set up Starfish Oils.

The company's early days were somewhat chaotic since, although a self-described 'over-achiever', she had started it with her own resources and no business plan. Ms. McConnell-Cooke soon realised that the market was not quite ready for strictly therapeutic oils, which people associated with the illegal practice of 'obeah' (a local practice similar to voodoo). She therefore thought about what she could do to use the oils differently while still achieving the same effect. Having previously worked in the tourism sector for six years, Ms. McConnell-Cooke was upset to note that the shelves in local gift shops were now full of products from China and Mexico, and there were really no quality Jamaican products for sale. She was struck by the idea that aromatherapy products could be combined with quality gift items, and decided to start making scented candles that she would package in bamboo and coconut shells. In this way, she could showcase the beauty of the Caribbean in her products, and capitalise on the region's rich, natural resources.

#### ***The company of today***

Although the Jamaican economy has been either stagnant or in decline for several years, and local entrepreneurs are struggling daily with the challenges of starting and growing their businesses, in the last two years

Starfish Oils has expanded significantly. It is now widely acknowledged as a successful manufacturer and exporter of a unique Jamaican line of aromatherapy oils, candles and handmade soaps. Starfish Oils' products are distinct and include candles with the scents of Jamaican Ginger Tea, Coconut and Blue Mountain Coffee, and handmade soaps with names such as Vanilla Nutmeg, Minted Lime and Coconut Scrub. In addition, Ms. McConnell-Cooke has brought to the market handcrafted ceramic aroma diffusers and diffuser oils such as the 'Energy Blend', a lively mixture of rosemary and lemongrass, and the 'Peace Blend', a soothing blend of lavender and sweet orange. Other highly distinctive products have followed, most recently the All Natural No Mosquito Candle and Body Spray that promises to 'keep mosquitoes at bay without the harmful effects of most synthetic repellents'. The company has also just released the first ever Bob Marley commemorative candle, a product that was in development for two years and meant negotiating a major licensing agreement with the Marley Estate and making a significant financial investment.

Now based in a 4,500 square foot factory in one of Kingston's private industrial parks, Starfish Oils employs fifteen full-time staff, half of whom are women. The company has been the recipient of many industry awards, including the Jamaica Exporters Association (JEA) award for Best New Exporter in 1996, the Jamaica Manufacturers Association (JMA) Champion Exporter Category 1 Award in 1997, Best New Exporter in 1998 and most recently, in 2000, the Ernst & Young Award for the Emerging (Caribbean) Entrepreneur of the Year.

### ***The process and means of business development***

Ms. McConnell-Cooke is eager to point out that, in the early stages, the development and growth of her business was neither easy nor assured. She credits the Jamaica Manufacturers' Association (JMA), and the Jamaica Exporters' Association (JEA), for helping her company through the bureaucratic maze of tax registration and compliance, and exporter registration. With technical assistance from the JEA's Small Business Export Development programme (SBED) – funded by the United States Agency for International Development (USAID) – the principals of Starfish Oils were able to improve their business skills. Through this programme, they received guidance on production and product identity, business efficiency and access to export markets.

The programme also ensured Starfish Oils' participation in trade shows, and facilitated access to low-cost financing and a substantial and virtually interest-free loan. SBED had selected Starfish Oils as a young company with a future and with specific needs (one of ten such businesses identified by SBED). The company's participation in numerous trade shows had confirmed that there was a lucrative market for its products, extending across the Caribbean to the United States, Europe and Japan. Developing a strategy to tap into this market was therefore a priority and, due to the increasing popularity of the Internet, a web presence in the form of an e-commerce-enabled web site became an important part of Starfish Oils' overall marketing strategy.

***New technology: the key to export markets***

Starfish Oils' web site, [www.starfishoils.com](http://www.starfishoils.com), was launched in October 2000, having been designed and built by an American firm with significant creative input from Ms. McConnell-Cooke and her husband and business partner, Kynan. The initial investment of around US\$20,000 included a provision for marketing the site as she was aware that many businesses fail to put this money aside, or indeed put any effort into marketing their web sites, as a result of which no-one visits them. Historically, customers would buy Starfish Oils products in Jamaica, or in one of the other Caribbean islands where the products are sold, and would later contact the company by telephone, letter or e-mail to find out where they could buy more. If these customers were in fact calling from a location where Starfish Oils did not have an outlet, the company would invariably lose that sale. Now these customers could buy on-line.

For the company and its staff, the site has been a steep learning curve, and Ms. McConnell-Cooke has described it as being a whole new business in and of itself. All Starfish Oils products that are destined for overseas markets are now warehoused in Miami and shipped from there. A US-based company provides a complete outsourced e-commerce and fulfilment service, selling and servicing customers direct on the World Wide Web without an up-front capital investment. The company provides customised design and daily operation of a web store, order processing and fulfilment, phone and on-line customer support and management of all customer returns. In return, they charge a fee equivalent to 30 per cent of sales. Starfish Oils made the decision to utilise a third party service company to handle these

areas of the business because, at the time that they were setting up their web site, there were no local banks facilitating on-line credit card payments.

This web-centred marketing and business development strategy is beginning to pay off for Starfish Oils. Sales grew by 800 per cent in the first eight months of the web site going live. Fortunately, this phenomenal growth was anticipated, and the company had already expanded its production capabilities so as to meet an increase in demand. With ten products now offered for sale on the web, and sales increasing at a rate of approximately 40 per cent per year, Starfish Oils' balance sheet is showing a profit.

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## **SOME LESSONS LEARNED**

The success of Starfish Oils shows the importance of testing the market at a very local level first, being open to diversifying from the original idea and vision if the market demands it, and continuing to be innovative even when a company becomes successful. It also demonstrates that there is a demand for quality products that incorporate the local culture. Joining a member organisation that offers tangible benefits and services can provide valuable assistance and support, particularly in the early stages of a business.

A web site can be an enormous help in finding a wider market, but it is important to also market the web site. Outsourcing services and distribution, where feasible, can cut capital costs and overheads. Ms. McConnell-Cooke's advice to other women entrepreneurs would be to work at what you love or feel passionate about, to trust your instincts and to be persistent.

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## **Access to Information and Technology**

### ***Introduction***

In order for women entrepreneurs to grow their businesses, they need access to a wide range of business development support. This including information, training and advice that demonstrates an understanding of the gender constraints that women often have to overcome when setting

up and running an enterprise. Businesswomen are often marginalised in the business community and therefore unable to easily access much of the information they need on how to enter the export market. Even when government agencies attempt to provide such information, most do not recognise the specific needs of women-owned businesses. At the same time, access to information about trade opportunities and WTO regulations and requirements cannot be fully exploited by women if they continue to lack access to telephones, computers, the Internet, etc.

The business proficiency of women entrepreneurs can be improved through the efficient delivery of training and trade-related services provided by NGOs, training institutions and trade-related agencies. For example, to improve the marketing of their products businesswomen require information about quality control, costing and pricing, and product design and packaging. Other areas identified by a worldwide survey of women's enterprises engaged in international trade by the International Trade Centre as ones where businesswomen required information and training included: market development; export management and marketing; export procedures; market research; export packaging; import operations and techniques; and import management (O'Regan-Tardu, 1999)

The following case study describes how the Uganda Investment Authority (UIA) has started to reach out to diverse networks of businesswomen, and serve a business community that ranges from micro-enterprise street seller to companies that are listed on the public stock exchange. It provides information and training with a focus on building networks to promote business linkages and development for Ugandan women entrepreneurs, including at the international level. These networking opportunities have given these women in-depth knowledge of what the UIA can do for them and, as a result, they are becoming more involved in the UIA's entrepreneurship development programmes.

### ***Case study: Uganda Investment Authority***

*by Dr Maggie Kigozi*

#### ***Overview: The UIA initiatives***

Ugandan businesswomen are active participants in the country's economy and have established viable businesses in almost all sectors. The regular information-sharing meetings that the Uganda Investment Authority (UIA)

has initiated, as well as the establishment of its Women's Desk, have given women entrepreneurs access to market information and training in a variety of business-related skills. They have also provided details of business opportunities, as well as helping to foster new partnerships and alliances among network participants within Uganda. The intra-Africa and international networks have also resulted in the increased participation of women entrepreneurs in international business and joint ventures. In the process, the UIA has itself become an integral part of these international networks. These linkages make the UIA a stronger organisation that has a greater capacity to deliver services to its clientele, and the networks it belongs to are that much stronger for having a Ugandan voice in their midst.

### ***Background to UIA initiatives***

Women are noted for having naturally good networking skills. In Uganda, a number of women entrepreneurs have capitalised on this ability in order to develop their businesses and enhance productivity. They appreciate that networking is an essential activity that affords them access to information, and therefore access to markets, raw materials, know-how tools and advice on overseas marketing – all necessary components in the development and sustainability of their enterprises. On account of their enthusiasm for networking, Ugandan women entrepreneurs have formed co-operatives and associations countrywide at all levels, including the grassroots, where they support one another in business by sharing experiences and even pooling resources to raise start-up capital. One such organisation is the Uganda Women Entrepreneurs Association Limited (UWEAL), with branches all over the country.

Despite this networking activity, many women entrepreneurs in Uganda still have only limited access to business information, if any at all. In some cases, information on current international market trends, cross-border trading policies, modern business practices, quality requirements, packaging, ICTs (the Internet) and strategic planning is available but is not disseminated to the women. To address this challenge, the UIA has initiated several programmes aimed at increasing information flow among women entrepreneurs in Uganda.

### ***The women's desk at UIA***

The idea behind this initiative is to give special attention to women entrepreneurs with medium and large-scale businesses and to assist them in increasing their participation in economic activity. The services provided include: the promotion and facilitation of women-owned projects; training in leadership and project development skills; training in business planning and how to access finance; training in negotiating international business and understanding other cultures; and provision of information on international business opportunities. In addition, networking is facilitated with international technical assistance agencies as well as with intra-Africa, international and local agencies.

### ***Joint ventures and linkages***

The UIA has built an electronic database of Ugandan women entrepreneurs from key sectors of the economy. These businesswomen can access information including details of the business contacts developed by UIA through its intra-Africa and international networking. UIA representatives attend international investment conferences and exhibitions and represent Uganda on outward missions. The UIA plans to carry out specific promotional missions for women entrepreneurs, with the aim of encouraging international business linkages. It is hoped that such inter-corporate contact will enable Ugandan women entrepreneurs to develop the export markets for raw materials, textiles and agricultural products.

The UIA is also implementing an entrepreneurship development programme that promotes mutually beneficial linkages between small and large, domestic and foreign companies, so as to strengthen local entrepreneurial capacity and participation in business. This has resulted in better management and expansion of women-owned businesses. As part of this programme, UIA identifies promising local entrepreneurs – with a particular focus on women – and provides them with training and technical assistance in order to foster their entrepreneurial capabilities.

The UIA has helped raise the profile both of Uganda as an attractive investment opportunity and of the role of Ugandan businesswomen. In particular, it has prioritised the building of linkages with Canadian, American and Commonwealth businesswomen, seeing that the best way to create business opportunities and access to markets is through international net-

working, mentoring and leadership development. It is for this reason that Uganda, through the UIA initiative, is a member of the American and African Businesswomen's Alliance (AABWA), the Canadian and African Businesswomen's Alliance (CAABWA) and the Commonwealth Businesswomen Network (CBWN). Information obtained through participation in international business associations, forums and meetings, and through general networking, is channelled to the women entrepreneurs who meet regularly to share information.

### ***The Women Entrepreneur Consultative Committee on Investment (WECCI)***

The Women Entrepreneur Consultative Committee on Investment (WECCI) is made up of fifty women entrepreneurs and works with the UIA board and management in an advisory capacity. The committee provides the UIA with information on the needs of women entrepreneurs in Uganda and the challenges these women face.

The specific objectives of the WECCI include strengthening women's capacity to participate in private sector investment in Uganda; encouraging intra-Africa and international networking of women entrepreneurs around the world, with a view to developing long-term business partnerships; and providing a source of information and expertise for the encouragement and development of investment projects by women entrepreneurs. It also aims to provide a base for entrepreneurship training in business development and management; to identify and create a database of fifty potential MSE projects run by women in Uganda for promotion and facilitation; and to provide a readily accessible point of contact within the UIA for local women entrepreneurs.

### ***Matching future provision to future need***

International networks such as CAABWA, CBWN and AABWA have provided Ugandan businesswomen with exposure to international business contacts, modern approaches to business and virtual systems for networking. To facilitate the future growth of these businesses and to ensure that Uganda continues to build its international profile, women entrepreneurs will need to be provided with a series of supports at both the domestic and international level.

It is important to raise awareness among policy-makers of both the actual and potential contributions of women entrepreneurs to economic develop-

ment, so that they are allocated the resources that they need to optimise the growth of their companies. It will also be necessary to raise awareness among women entrepreneurs about the mechanisms and power of networking as a tool for business growth. Existing women's associations in Uganda (for example Uganda Women Entrepreneurs Association) should be strengthened so as to improve service delivery capacity and capability. There is also a need to create special conditions to promote the entry of women entrepreneurs into existing associations in order to access the services offered.

Women's access to business development services, such as training, needs to be increased and support given to the various institutions that are already providing such services, such as the UIA and the Uganda Manufacturers Association (UMA). The UIA Women's Desk in particular needs support so that it can increase its coverage and effectiveness. This should go a long way towards enabling women to build their business and management competencies in crucial functional areas. Such services should be demand-driven and designed to respond to the actual needs of women entrepreneurs in Uganda.

The national, regional and international networking of women entrepreneurs needs to be facilitated in order to enhance information exchange and mentorship as well as the forging of cross-border alliances. At present, only a few Ugandan women can afford to attend regional and international business forums. Women entrepreneurs also need assistance in accessing the business networking infrastructure. Most of them do not have the necessary IT hardware that would enable them to benefit from virtual networks. They would therefore gain from a programme that supports the acquisition of computers and Internet access. This would be a significant development that would enable Ugandan women to participate more actively in international trade. With financial support and/or technical assistance, the UIA would be able to develop a website for Ugandan women entrepreneurs, so as to provide their business with a web presence, and therefore put them in the international marketplace.

Overall, the policy environment needs to be improved so as to aid and actively promote women's entrepreneurship. This initiative would need to address gender equity issues related to women's access to finance, land and other resources.

## **SOME LESSONS LEARNED**

The UIA has demonstrated that programmes to support women's entrepreneurship can be developed within the context of a mainstream economic development organisation. In this way, the UIA is working to provide specific support, including information and training, for the development of women's businesses, as well as to integrate women's business development issues into its general business development programmes. This represents an efficient use of existing resources, as the UIA did not have to create a whole new infrastructure in order to meet Ugandan businesswomen's needs.

In recognising the importance of networking as a business growth strategy for Ugandan women at both the domestic and international levels, the UIA is actively seeking ways to develop further networking opportunities for its clientele. The support of outside donor agencies and multilateral organisations, as well as the Ugandan government, will be critical in this process.

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## **Access to Policy-making**

### ***Introduction***

The previous case study on the Uganda Investment Authority (UIA) showed it building networks to promote business linkages and development for Ugandan women entrepreneurs. Meanwhile, the Women Leaders Network (WLN), the focus of the following case study, is working at the international policy level to ensure that future trade policy initiatives take gender issues into account in a meaningful way and recognise women's significant contributions so that globalisation and trade liberalisation benefit women. Although these initiatives seem very different, they are actually two faces of the same coin. For the work of the WLN to be successful it had to rely on local networks of women's leaders and organisations to carry out its lobby campaign – accessing people of influence and mirroring the Asia-Pacific Economic Cooperation (APEC) process

Women do business by networking. They use these same techniques and strategies when they are lobbying at the international political level, as they do when they are working on attracting a new customer. Networking

is a powerful tool in effecting political change and business development. It is one way in which women have overcome the disadvantages they face individually in terms of their access to policy-makers and limited representation in policy-making bodies. It also enables them to share information and increases their ability to have an effective input into the formulation of policy.

The strength of the WLN lies in the fact that it encompasses both grass-roots and elite leaders, all of whom have come together in a common cause. The network spans twenty-one different countries and four different sectors. Sometimes this diversity can be challenging to manage, yet it brings a wealth of contacts and information to the Network.

### ***Case study: APEC Women Leaders Network<sup>2</sup>***

*by Dana Peebles*

#### ***Overview***

The Women Leaders' Network (WLN) of the Asia-Pacific Economic Cooperation (APEC) forum started with the discussions of a group of women in the region who were concerned about the gender issues facing women in the fields of science and technology. This led them to the creation of a network of women leaders drawn from the public and private sectors, civil society organisations and academia who share a common vision. While the WLN has made specific recommendations on a wide range of issues affecting women in the APEC region, the organisation's focus has been on the concerns of women entrepreneurs. In particular, they have addressed the specific needs of women relating to access to technology, training, financing, markets and information.

#### ***History and purpose of WLN***

The WLN has evolved in response to the growing need to take gender issues into account in the trade liberalisation and facilitation process, specifically that promoted by the APEC group. The first meeting of the WLN was held in Manila in 1996 with women from fourteen APEC economies. Based on this inaugural meeting, the network developed a strong economic focus and initiated its lobbying campaign and strategy on

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<sup>2</sup>Sources: Gibb, 1997; Jhabvala, 2000; Lever, 2001; Licuanun, 1992; Peebles, 2000a; Peebles, 2000b.

gender and trade issues. The WLN received strong support from the 1996 APEC host, President Ramos, and APEC leaders agreed to include a paragraph recognising the particular needs of women and youth for the first time in a formal APEC statement.

The 1997 WLN Meeting held in Ottawa/Hull focused on the development of a consultative process that would allow all participants to have an input into the drafting of recommendations on issues that the WLN wanted to present to APEC. The APEC Small and Medium Enterprises (SME) Ministers, who met immediately after the 1997 WLN meeting, invited the WLN to present their recommendations, including the idea that APEC needed to hold a Ministerial Meeting on Women. This recommendation was repeated in 1998 at the WLN Meeting in Malaysia, and the Philippines offered to host APEC's first such meeting. The 1998 WLN Meeting followed a similar consultative format to the process developed in Canada the previous year. The SME Ministers again invited the WLN to present their recommendations at their Ministerial Meeting in Malaysia and incorporated a number of WLN's ideas into their own statement and recommendations to the APEC economic leaders. This was followed by the APEC Ministerial Meeting on Women.

The following year, the 1999 WLN Meeting in New Zealand focused on broadening the participation of women in the network. Canada and New Zealand in particular committed resources to the organisation of an Indigenous Women Exporters Business Seminar (IWEBS) just prior to the WLN Meeting. The WLN included the IWEBS recommendations in their own formal presentation at the Trade Ministerial Meeting. As a result, APEC Trade Ministers and Leaders recognised the unique contribution and role of indigenous peoples in the region for the first time. Leaders also approved the formation of an Advisory Group on Gender Integration for two years to implement the Framework.

A year later, the 2000 WLN Meeting was the first international women's meeting ever hosted by Brunei Darussalam. It focused on economic issues and led to the first joint statement by the WLN, the SME Business forum and the E-commerce Workshop to the SME Ministers. It was also the first WLN meeting totally funded by the private sector and drew over five hundred participants, including three hundred and fifty women from Brunei Darussalam. It led to WLN forming a formal co-ordinating team to serve as

its overall management group internationally. The WLN recommendations drafted during the meeting were officially presented at the APEC SME Ministerial Meeting. The SME Ministers incorporated the recommendations, in their entirety, as an appendix in their statement and recommendations to APEC leaders.

Another important outcome was that China agreed to host the WLN 2001 Meeting and to take an active role in leading the WLN's Management Team even though CIDA project funding had ended, while Mexico agreed to host the WLN 2002 Meeting as well as a second Ministerial Meeting on Women.

### ***Successful programme elements***

Several key factors have contributed to the success of the WLN's lobbying efforts with

APEC. First of all, the women leaders in the network already had access to the decision-making processes in their own economies and were able to make optimum use of their influence at the national level, and key WLN members have an in-depth understanding of how APEC operates. There has been strong support from the public sector members of the WLN in terms of ensuring that the WLN messages were sent through the appropriate channels and reached the Senior Officials, Ministers and Leaders in time to make an impact at specific APEC meetings.

In addition, WLN is an independent body that operates outside of APEC even though it has a strong APEC focus and follows the forum's structures and themes. It was set up as a flexible network that has been able to adapt and shift its strategies to keep pace with a rapidly changing economic world and in keeping with the capacity and socio-political reality of each APEC economy. There is representation in WLN from the four major sectors of a national economy (public and private sectors, academia and civil society) and constant consultation takes place with WLN members at all levels, with members willing to compromise and collaborate even when there were very different agendas and opinions

Another key factor has been the strong financial support given by the Canadian International Development Agency (CIDA) for the operation of an interim de facto secretariat, which has allowed the WLN to focus on

organisational development issues. The provision of travel support has ensured the inclusion of women leaders from the developing economies of APEC; and support for the Canadian team has allowed them to participate actively and play a pivotal leadership role within the WLN in its first few years of existence. During this time, WLN has rapidly established itself as a credible organisation through invitations to make formal presentations at specific APEC meetings and the drafting of gender-related recommendations and policy statements based on the themes established for these meetings.

A strong commitment exists on the part of the women leaders involved to fostering a change process within APEC, and WLN has sustained its focus on the gender issues related to APEC's economic agenda and the documentation of women's substantial economic contribution to the region. Finally, male champions exist in a few strategic positions who supported the efforts of the WLN.

### ***WLN success stories***

The WLN has been able to establish a wide-ranging network of women leaders from the twenty-one APEC member countries. Through the knowledge and actions of its members it has contributed significantly to APEC becoming a more gender-aware, responsive, and pro-active organisation. As a consequence of WLN lobbying and consultation, APEC has made a high-level commitment to take further action to integrate women's concerns and needs in national development strategies. APEC has also agreed to involve and educate more than fifteen hundred women from across the region with respect to the forum and its agenda and the positive and negative effects of trade liberalisation and facilitation on women.

The impetus for change began in 1996, when APEC Leaders accepted and supported the WLN's initial Call to Action by including formal statements that echoed the WLN's recommendations. The SME Joint Ministerial Statement that year called for 'the full and active participation of women in the area of SMEs', while recognising the active contribution of women to the region.

A year later, the WLN was officially invited to present a series of recommendations to the SME Ministers and, in doing so, influenced the creation of an ad hoc group on Gender, Science and Technology under the umbrella

## **SOME LESSONS LEARNED**

The primary lessons learned from the WLN lobbying processes include:

- It is possible for a relatively small and informally organised group of women leaders to have a significant impact on multilateral trade liberalisation policy;
- Women entrepreneurs need representation at the international, multilateral level to ensure that their interests, needs and contributions are taken into account in the decision-making process;
- To ensure balanced participation from both developing and developed countries, it is necessary to have financial support from donor agencies;
- To be sustainable, a network of this nature needs to work on ways of becoming financially self-sufficient from its inception;
- To feel the full impact at the individual enterprise level of a major policy shift at the multilateral level takes several years;
- To make an informal network of women leaders operate smoothly requires the support of a co-ordination centre or interim secretariat;
- Although the primary goal of the WLN has been reached, there is still a strong need for the network to maintain its momentum and serve a monitoring role to ensure that APEC's gender integration policy is implemented effectively.

In general, the WLN provides a unique model of a multi-sectoral lobbying effort at the multilateral level. The organisation operates virtually for 95 per cent of the time and has therefore required relatively small amounts of resources to promote its view and to successfully influence APEC policy. While there are still a few internal weaknesses and challenges that the WLN needs to address, overall it has been phenomenally successful in achieving its main goals.

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of the APEC Industrial Science and Technology Working Group. WLN was also instrumental in the initiation of a gender information site on the first APEC website. The 1998 Ministerial Meeting on Women led to the adop-

tion of a policy to integrate gender as a cross-cutting issue within APEC and a directive that the forum develop a framework to integrate women. WLN considers this major policy shift within just three years of their original lobbying effort in this regard to be a major achievement. In the years that have followed, WLN has established a strong and visible presence during the policy drafting process and continues to pursue its policy objectives and original vision.

## **Equity Issues**

### ***Introduction***

The Body Shop is a high-profile example of a company that balances business and social equity issues. Expressions International is less well known, but has placed an equal emphasis on equity within the workplace, making changes in the sphere over which it has the most control: its own employees and client relations.

Anita Roddick of The Body Shop initially introduced some of her most celebrated 'green policies', such as the recycling of containers, out of economic necessity as opposed to a strong belief in environmental preservation. However, due to the popularity of this policy, she soon realised that her own personal beliefs regarding ethical business practices and the way you should treat people and the environment should become a central, guiding principle for The Body Shop. While she has her critics, Ms Roddick has led the way in showing that you can treat your suppliers fairly, use organically grown products, recycle, support community initiatives and other more socially oriented practices, and still make money.

In the case of Expressions International, owner Dr Theresa Chew would likely argue that it is because she places such a premium on staff training and opportunities that her business has thrived in the way it has. Her staff have become living evidence that her services and products work. They have ready access to programmes and products that make the workplace a positive one to be in. This, in turn, passes on a clear and positive message to their clients.

Some might say that in some ways Ms. Roddick has made her money by carving out a niche market for herself as a social marketeer. This raises the

question of whether there is room for more than one or two such socially conscious companies in the marketplace. Would The Body Shop lose its market edge if it had to compete against thousands of businesses that operated the same way? The experience of Expressions International seems to argue against this. This company focuses on internal equity issues and still makes a profit. The Body Shop's success is also based on more than just being one of the first and best known ethical companies. It is also noted for its franchising model and other management practices.

More and more, the consumer public is demanding not just good prices and quality, but also fair trade and employment practices before they will buy a particular product or service. The point is, therefore, not whether a company is first past the post in terms of the promotion of social equity issues. There is growing evidence that 'core labour standards' are not a commercial or economic threat. On the contrary, it pays to treat people well.

### ***Case Study: Expressions International, Singapore***

*by Shelley Siu<sup>3</sup>*

#### ***Overview***

Expressions International is a private wholly-owned, home-grown wellness company and has a total of ten studios in Singapore and Hong Kong, with five franchised spas/studios in Indonesia. It is acknowledged as a pioneer that introduced the concept of 'total wellness' for health, especially for women. An industry leader, it is the only company in the industry to have qualified for ISO 9002 certification. It is also a model of fair employment practices.

Dr Theresa Chew, the owner, is the icon of Singapore's wellness industry. Both her own name and that of her company are household words there. Her success has motivated other operators to move into the same industry in order to provide services to women who not only have to balance career, family, job-related travel and social and community activities, but who also have a longer life expectancy than men. Wellness is an important part of today's lifestyle and has become a global industry.

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<sup>3</sup>Sources: MCDS Statement (2000); *The Straits Times* (2001).

### ***The wider socio-economic picture***

Singapore is an urbanised society that is developing at a frenzied pace. It is the world's second most competitive economy after the USA. Most of Singapore's social problems lie in its emphasis on economic survival, based on a competitive advantage derived solely from human resources. Living in an era of constant change means that workers constantly have to upgrade their skills to avoid being laid-off during mergers, acquisitions and retrenchments. Women, especially, have had to prove themselves on the job in order not to be the first to be asked to leave, which used to be common practice. In 1999, however, the Ministry of Manpower and the National Trades Union Congress, along with the Singapore National Employers' Federation, issued the Tripartite Guidelines on Non-Discriminatory Job Advertisements to educate and assist employers. The proportion of job advertisements stipulating discriminatory criteria, including gender, dropped from 32 per cent in 1999 to 1 per cent in 2000.

Women are taking on more responsibilities at work so as not to be overlooked for future postings that have good possibilities for promotion. Whereas previously it was always assumed that they would not travel, this is no longer the case and women are now expected to travel on job-related assignments and on company expansion programmes, leaving their husbands and their children in the care of about 100,000 foreign domestic aides in Singapore. Greater gender equality in the workplace allows these newly independent women to take on more challenging opportunities at work and to meet more people overseas. However, Singaporean society as a whole is feeling some detrimental effects as more marriages break up due to the increased pressures of Singapore's modern economy. Overall, the labour force is overworked and very stressed, and is increasingly desiring mental wellness and a much more balanced lifestyle.

### ***Beginnings***

Expressions International was born of Dr. Chew's own need to regain her health and figure, improve her overall self-image and confidence and fulfil her potential as an entrepreneur. Her lack of education, having grown up as one of six children of an illegal roadside hawker, never deterred her. She was brought up in an environment of hard work in a family where everyone had to pool their efforts and resources to make ends meet. While this taught her resilience, it also left her physically and mentally scarred. After

her marriage and pregnancy, she became overweight, her health deteriorated and she became depressed. Eventually, this poor state of health compelled her to try a natural therapy in USA. It was so successful that Dr Chew decided to offer the same programme in Singapore, to help other women who were experiencing similar problems and challenges. Her personal story was sufficient testimony, and one that many women could relate to.

The programme drew large numbers of women who wanted to improve their sense of self, secure better jobs and improve their family and marital relations. As well as the full range of therapies, programmes and products, Dr Chew's clients could inform themselves by attending workshops and seminars on women's wellness at 'healthy tea' sessions. Dr Chew feels that 'being well and therefore looking beautiful is not an outward show of vanity, as it is often misconstrued. It is our responsibility to be well and no woman should feel guilty about wanting that.' She also believes that 'women in Singapore are given equal opportunities to men. They are as capable and fortunate. How far they go is up to them. In Asia, we just need to be heard more, be more assertive and be able to express ourselves.'

Dr Chew's understanding of all these needs resulted in her being the strength and inspiration behind a booming business. She was a finalist for the 1999 Woman Entrepreneur of the Year Award. Her mission statement encompasses the buzzwords of wellness, welfare and environment, and she sees it as her corporate responsibility to provide the means for both clients and employees to 'relax, reflect, rejuvenate, recharge and rejoice' in a gender equal organisation using environmentally friendly products.

Dr. Chew's entrepreneurial spirit also led to her being the first Asian representative on the Board of Directors of the International Spa and Fitness Association, USA (1995–1997). She has earned recognition for her contribution to the spa industry in Asia from the International Spa Association and is credited for her work with the Singapore Tourism Board in ensuring Singapore was the venue for the Asia Spa Summit in April 1999, and also for initiating the formation of the Asia-Pacific Spa Chapter.

### ***Equitable employee relations***

Apart from its obvious success, what distinguishes Expressions International as a company with a difference is the fact that Dr Chew has

worked hard to ensure that her employees are treated fairly. All staff, regardless of position, receive the same benefits, including the same annual leave, medical benefits and product incentive entitlements. Women form almost 100 per cent of Expressions International's workforce. The company is not unionised, primarily because employees have not felt the need for a union to protect their rights. They have ample opportunity to negotiate with management, and participation in decision-making takes place at all levels, during brainstorming sessions and meetings, to ensure the gap is bridged between management and all staff.

Dr Chew rightly prides herself that, by way of a celebration of Singapore's multicultural society, gender, marital status, race or nationality are not influencing factors in the company's recruitment practices. She believes that employing a diverse group of people is part of corporate social responsibility. Also work shifts are on a rotational, flexi-basis. There is no age discrimination and staff currently range in age from sixteen to sixty. Some of the teenage employees are from 'half-way homes', having been given a chance by Dr. Chew to start life anew.

Dr. Chew actively supports corporate social responsibility in many worthwhile projects and rather than be 'the whip' as CEO, she is more the family-friendly mother figure to her employees. Every staff member is personally acknowledged each year with a birthday cake and a gift voucher. Dr. Chew has 'a listening ear' which means staff can bring her their problems and their feedback. In return she communicated her passion and her vision of what Expressions International and indeed all women can be.

### ***Wellness in the workplace***

Every member of staff can experience the benefits of the company's wellness programmes without having to pay for them. This has resulted in staff genuinely 'buying into' the programme and products which, in turn, has been reflected in increased sales to clients. The company also ensures that occupational health and safety measures are given due consideration in the workplace. In-house training ensures all employees have the necessary knowledge and skills to operate equipment to the required standards. Staff trainers are constantly mentoring their colleagues to improve work procedures and performance. In a step beyond the traditional approach to workplace health and safety, every new employee is also inducted into the com-

pany's wellness detoxification programme to enable them to follow a regime that will help them keep themselves healthy.

Expressions International also ensures the well-being of its staff through its decision not to operate after eight in the evening so that staff can have ample rest and so be more productive the following day. This contrasts markedly with many other Singaporean companies that habitually require employees to work long hours. Furthermore, the company offers flexi-time and part-time work to accommodate an employee's other commitments and responsibilities. As part of this policy, the company's foreign workers are given additional paid vacation time during the Lunar New Year holidays so that they can return to their home countries to spend time with their families. When staff are required to travel on business, they are given an ample travelling allowance to cover their travel costs and, wherever possible, the company condominium or service apartment is made available for enhanced comfort and security and to provide a home away from home.

### ***Training and career development***

A life-long learner herself, Dr. Chew believes in education and training. Staff training emphasises the vital competitive edge that can be achieved through winning, retaining and earning the loyalty of clients. New staff undergo in-house training and mentorship to ensure that they are familiar with the company's systems of assigned tasks and quality standards. Follow-up is provided by in-house trainers, who conduct periodic performance reviews to ensure that all staff are equipped with the necessary skills to consistently deliver high quality service to clients, and will organise additional training as required. Expressions International has set targeted training hours for each administrative staff member – in compliance with ISO 9002 – of eighty hours for the first year and ninety hours for subsequent years, and for each studio staff member, eighty hours and forty hours respectively. In 1999, Dr. Chew's company assigned a total budget of SIN\$350,000 for the provision of staff training, a cost that accounted for about 20 per cent of the company's 1999 payroll – more than three times the national average of 6 per cent. Expressions International was awarded the National Training Award in recognition of its commendable achievements in employee training and development. Dr. Chew ensures that staff who do an excellent job can earn promotion to senior staff level.

***A competitive salary package***

The Human Resource Department conducts regular salary surveys to keep pace with the market rates. In addition, Expressions staff are eligible to take maternity as well as pre-natal leave and, when pregnant, are provided with maternity smocks to assist them in presenting a consistent professional image while at work. As a part of their annual performance appraisals, employees have the opportunity to map out potential career paths. They set measurable objectives, which are then appraised by their immediate supervisor and moderated by the management. Staff with good appraisals receive recognition within the company, and bonuses are given when sales targets are met.

***Recommendations for future initiatives***

Some initiatives that Dr. Chew feels are important for the future are to:

- build a pool of women from the region/Commonwealth, to motivate and mentor other women to perform better, to realise better opportunities and achieve success.
- organise regional conferences on best practices and reasons for failure.
- train and develop women for life-long employability and business success. School curricula for girls should be changed to include finance, business management and entrepreneurship.
- provide financial, management and human resources skills training from a pool of experts.
- provide information and form partnerships with funding sources, or initiate the formation of a women's fund.
- provide a local network for home and business support, including business matching.
- implement a social audit for all organisations, in terms of the health and wellness of personnel, work conditions, wages, training and development, and amenities such as childcare facilities, and provide for a compulsory quota of women to work from home.

## **SOME LESSONS LEARNED**

Dr. Chew's success demonstrates that, with the right mental attitude and appropriate skills training, women can succeed whatever their socio-economic and educational backgrounds. She believes in being a mentor to other women to increase support for them as global players in today's global markets. She has also learned that business with a cause makes a greater impact and has a higher chance of success.

Expressions International shows that a female-dominant organisation, offering specific services that can tap into women's natural skills, can be successful if both the women and men involved participate equally and are recognised, rewarded and empowered in the workplace. Health and safety measures provide security for staff, which translates into higher energy levels ensuring optimum performance. Fair wages and staff development are also important investments that reap significant returns. Wages lower than the market rate bring down the morale and image of staff and the organisation, while on-going training wins and retains both employees and clients, and delivers the brand.

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### ***Case Study: The Body Shop, UK/Worldwide***

*by Dr Lorna Wright<sup>4</sup>*

#### ***Beginnings***

Anita Roddick, the controversial social entrepreneur and founder of The Body Shop, is a prime example of how core business and social equity issues can be married successfully within a company. The road to founding The Body Shop was far from direct. After Ms. Roddick taught for a while, she travelled, worked for the International Labour Organisation in Geneva, returned to England where she met Gordon Roddick, married and had children. Looking for a business the two of them could run together whilst looking after their children led to them open a hotel and restaurant in the town where Ms. Roddick had grown up.

After a rocky start, the venture was a success but exhausting. This culminated in their joint decision to get out of the restaurant business, giving

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<sup>4</sup>Sources: Hartman and Beck-Dudley (1999); Roddick (2000); Rowe (2001);

Mr. Roddick the opportunity to fulfil his ambition of travelling from Buenos Aires to New York on horseback. Ms. Roddick, meanwhile, decided to make ends meet by opening a small shop. Her thinking was that 'a nine-to-five shop would provide an income while allowing [her] time to spend with the children' (Roddick, 2000:36). She decided on selling skincare products because she felt it would be so easy. She believed it would be possible to find out everything she needed to know by reading, doing some research and just talking to people. Because she had found it annoying that no one was selling natural ingredients, Ms. Roddick decided that her shop would focus on natural cosmetics. She was not thinking of creating a large business, but simply to generate the livelihood needed to support herself and the children while her husband was on his adventure.

In March 1976, Ms. Roddick opened her shop in Brighton with a £4,000 loan, obtained by using the hotel as collateral. It was not, though, quite as easy as she had originally thought. The first time she went to the bank – in T-shirt and jeans and accompanied by her children – the account manager turned her down flat. When she went back later with her husband, however, dressed in a suit and carrying an 'impressive looking business plan', she got the loan.

The original 'The Body Shop' embodied most of the principles that would guide the business over the next two decades. Ms. Roddick maintains, however, that every element of their success came down to the fact they had no money (Roddick, 2000:37). For example, the shop originally pioneered the practice of re-using and recycling containers because she could not afford to buy enough containers. She used the colour green now associated with The Body Shop not so much to make an environmental statement but because it was the only colour that would cover the damp patches on the walls.

Ms. Roddick did, however, set out to be different from the competition and insisted on being true to principles forged in the counter-culture thinking of the 1960s, when she 'would rather have slit [her] wrists than work in a corporation or even consider a business career' (Roddick, 2000). Her concept appealed to customers and like-minded entrepreneurs, and The Body Shop rapidly expanded from that one small shop selling twenty-five hand-mixed products to a worldwide network, through the compounding magic of franchising. The Body Shop went public in 1984 and is now The Body Shop International PLC.

***Blending business and social issues***

Ms. Roddick's environmental, social and political values, as articulated in The Body Shop's mission statement, states that their reason for being is:

- to dedicate their business to the pursuit of social and environmental change.
- to creatively balance the financial and human needs of their stakeholders: employees, franchisees, customers, suppliers and shareholders.
- to courageously ensure that their business is ecologically sustainable, meeting the needs of the present without compromising the future.
- to meaningfully contribute to local and international communities in which they trade by adopting a code of conduct that ensures care, honesty, fairness and respect.
- to passionately campaign for the protection of the environment and human and civil rights, and against animal testing within the cosmetics and toiletries industry.
- to tirelessly work to narrow the gap between principle and practice, whilst making fun, passion and care a more prominent part of their lives.

The Body Shop attributes its success to its relationships with its stakeholders, who include not just shareholders, franchisees and employees, but also customers, communities, suppliers and non-governmental organisations. Its approach to ethical business comprises three components: compliance, disclosure and campaigning. Ms. Roddick believes in the importance of complying with defined standards of human rights, social welfare and worker safety, as well as environmental protection and, where relevant, wider ethical issues such as animal protection. Also, only through public disclosure can a real process of dialogue and discussion with stakeholders be achieved, and the right direction charted for the future. Finally, it is essential to play an active part in campaigning for positive change in the business world, with the ultimate aim of making a positive impact on the world at large. ([www.bodyshop.com](http://www.bodyshop.com))

Ms. Roddick believed passionately that trading should be an ethical act, and evolved her own 'set of rules' to ensure that The Body Shop traded fairly with small communities. These guidelines stated that these communities must be: socially or economically marginalised; involved with and

benefit from the trade; commercially viable; able to build trading relationships that can benefit the primary producer or processor; using a product/process that is both socially and economically benign and sustainable; and desiring to trade with The Body Shop and have something to incorporate into its product range (Roddick, 2000: 198).

One can find an example of these guidelines in action in the relationship The Body Shop established with the Jute Works in Bangladesh, which supplies many of their Christmas accessories. It was set up by the Catholic Organisation for Relief and Rehabilitation to provide jobs for poor village women who are bound by tradition to stay in the home. Over and above these ethical, fair trade guidelines, Ms. Roddick and The Body Shop have also pursued a social activism agenda through campaigns such as Save the Whales with Greenpeace in 1986, the Romanian Relief Drive, begun in 1990, and the Brazilian Healthcare Project in 1992. In 1996 they issued the first fully integrated Values Report, consisting of independently verified statements on the company's performance on social, environmental and animal protection issues. This was recognised by the UN Environmental Programme as a pioneering event.

The Body Shop has positioned itself as a socially responsible cosmetics retailer. It finds itself operating in a much more competitive environment than when Ms. Roddick launched the company twenty-five years ago. While other retailers have caught up with the concepts it pioneered, The Body Shop has opened up a new agenda for business, and allowed people with similar attitudes to express themselves without being ridiculed.

The Body Shop's values may have been ahead of their time in 1976, but are very much in tune with today. Its success can, in part, be attributed to the combination of Ms. Roddick's passion and vision with her husband's managerial talents. She has also shown that virtue and morality can be the basis for product differentiation. Body Shop products and promotions exhibit an honesty not traditional in the cosmetic and toiletry industry. All product ingredients are listed on labels, even if it is not required in the country where they are being marketed. Ms. Roddick has pioneered new marketing devices, including 'guerrilla marketing', and has proved expert at utilising public relations in her environmental and social campaigns to promote The Body Shop with minimal advertising. Her belief that actions speak louder than words has carried The Body Shop far.

## **SOME LESSONS LEARNED**

Some of the lessons that Ms. Roddick feels are important for the future are to:

- be quick – speed, agility and responsiveness are the keys to success;
- be creative about different ways of selling and interpret the product broadly;
- build partnerships with communities;
- be open, stay human and measure success differently;
- make ethics part of your heritage;
- remember that people aspire to more than money.

Another lesson for her lies in the old Japanese proverb, 'the nail that sticks up gets hammered down.' She notes that when one succeeds in a business that follows such a different track and that is based on moral values and ethics, it can be perceived by some that you are setting yourself up as being better than other businesses. This has happened to The Body Shop on occasion, can lead to a backlash, and calls for a public approach that includes some humility.

The final lesson is that, as with all small enterprises that grow beyond their founder's ability to manage alone, there must be a realisation of the changes in management style that a larger organisation demands. The vision must be balanced by strategic thinking and managerial talent.

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