

Progress Report | March 2020

The Alison Rose Review of Female Entrepreneurship



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Foreword

The Alison Rose Review of Female Entrepreneurship (The Rose Review) was born out of a sense of frustration at the unacceptable disparity which exists between female and male entrepreneurs and the slow progress in closing this gap. The prize at stake is significant – representing £250 billion of economic potential for the UK. Our hope was always that the Review would galvanise real action – we did not want it to sit on a shelf – so we committed to give a progress update. We have been heartened by the commitment to implementing the recommendations of the report since its publication in March 2019, reinforced by this government’s ambition to increase the number of female entrepreneurs by half by 2030.¹

To ensure momentum and real action, we established The Rose Review Board, co-chaired by the Exchequer Secretary to the Treasury and the Small Business Minister at the Department for Business, Energy & Industrial Strategy, with representatives from across the entrepreneurial ecosystem (see Appendix 3) and have dedicated full-time resource from our teams to drive forward the work. With support from the government, notably HM Treasury (HMT) and the Department for Business, Energy & Industrial Strategy (BEIS), and working collaboratively with financial institutions, representative bodies, Local Enterprise Partnerships (LEPs) and private organisations, we have made good progress with the joined-up action that is required.

There was never going to be one silver bullet that would magically close the entrepreneurial gender gap and bring the UK economy’s performance into line with best-in-class peers. However, our commitment was that, with public and private organisations working together, we would make a difference by offering targeted support for our entrepreneurs and start on the path to removing the barriers they face. We outlined in the report eight practical recommendations to start to address these barriers.

The key highlights for each initiative are:

1. **Promote transparency.** The Investing in Women Code was formally launched in 2019 and now has 22 signatories, from the finance and investor community. HMT has been working closely with industry to agree the data requirements and Supporting Guidance for the Code. The Supporting Guidance will be published in spring 2020.
2. **Launch new investment vehicles.** Access to capital is still the biggest barrier. NatWest is pleased to have announced £1 billion of ringfenced debt funding for female-led businesses: the largest intervention yet by a UK lender. Coutts is developing a private investment fund in partnership with a third party, and NatWest has also launched the Back Her Business initiative to support women looking to start up businesses in the UK. We know other banks are equally committed to making a difference and have activity underway.

¹ Those wishing to learn more about the findings in the original report and the UK Government’s ambition to support female entrepreneurs can learn more at: [gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship](https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship)

3. **Encourage further support and investment.** The Council for Investing in Female Entrepreneurs has been established, with representatives from the finance, investor and business community. The Council has met twice and has set up three individual workstreams through which they will drive the Council's agenda.
4. **Family care banking products.** Initial research has been completed and widely shared. In response, NatWest has launched a number of Family First banking products aimed at supporting business owners and entrepreneurs who have family care responsibilities.
5. **Improve access to expertise.** Following completion of a pilot, all 38 LEPs now have access to a banking 'Expert in Residence'. In addition, LinkedIn recently ran a 'train the trainer' session on digital skills, and a pilot is underway with experts from Microsoft committing to spend time in the Coast to Capital LEP.
6. **Expand mentorship and networking.** Discussions are taking place with organisations such as Be the Business, UK Finance, The Prince's Trust and The British Library, all of whom plan to expand their mentoring initiatives.
7. **Roll out entrepreneurship courses to schools and colleges.** A coalition of public, private and third sector organisations has been established to report to BEIS and the Department for Education (DfE) and share expertise.
8. **Create a digital first-stop shop.** Discussions are underway with providers to create a digital 'doorway' resource spanning funding, case studies, planning, learning and networking.

While these initiatives demonstrate the progress that has been made within a relatively short period of time, they are just the beginning and there is more work to do to achieve our target to increase the number of female entrepreneurs by half by 2030.

We would also like to place on record our thanks to all those individuals who are devoting their time and energy to the cause of helping female entrepreneurs.

Thank you for making the time to read this report and for getting involved.



Alison Rose
CEO, NatWest



Paul Scully MP
Parliamentary Under Secretary of State and Minister for London, Department for Business, Energy & Industrial Strategy



John Glen MP
Economic Secretary to the Treasury and City Minister, Her Majesty's Treasury

Alison Rose



Paul Scully MP



John Glen MP



Initiative 1:

Promote greater transparency in UK funding allocation through a new Investing in Women Code

The Rose Review identified funding as the number one barrier for female entrepreneurs at every stage of their entrepreneurial journey. On average, women launch businesses with 53% less capital than men, are less aware of funding options, and are less likely to take on debt.² Only 1% of UK venture funding goes to businesses with all-female teams, severely limiting their ability to scale up.³

The Investing in Women Code aims to create a more diverse and inclusive business landscape in which female-led businesses can grow and prosper, benefitting their communities and the UK economy. Signatories commit to take three practical and measurable steps:

- To have a nominated senior leader responsible for supporting equality in all interactions with entrepreneurs
- To provide HM Treasury with defined data on female-led, male-led and mixed-gender-led businesses
- To adopt internal practices which help female entrepreneurs access the tools, resources and finance they need to build successful businesses.

The Code is a collaboration between leading banks and investment firms, UK Finance, the British Private Equity and Venture Capital Association (BVCA), the British Business Bank (BBB) and the UK Business Angels Association (UKBAA), with support from HM Treasury. The Code was launched in July 2019 with 14 signatories, and more institutions are signing up as awareness grows. At the time of writing, there are 22 signatories⁴ (see Appendix 4 for the full list).

What gets measured gets improved

Transparent reporting is a powerful tool for change. By collecting reliable and comparable data on the funding journeys of male and female entrepreneurs, signatories can spot possible gaps and shortfalls in their support for female business owners, and identify opportunities to improve. A set of guidelines on the potential data to be collected is being developed by HMT with a working group of signatory banks and trade bodies, with draft guidelines having been produced – see Chart 1. These draft guidelines will be refined in the coming weeks and months to ensure that the maximum possible number of firms sign up and participate in the Investing in Women Code. HMT will aggregate and anonymise the data collected and publish it in an annual report which will help show whether improvements are occurring, either as a result of action by individual signatories or because broader changes in funding attitudes and behaviours are taking place, with the first annual progress report scheduled for autumn 2020.

² assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_final.pdf

³ British Business Bank, BVCA and Diversity VC, UK VC & Female Founders, report, February 2019

⁴ Organisations wishing to sign up to the Code can learn more at: gov.uk/government/publications/investing-in-women-code

Meanwhile, an analysis of SME Finance Monitor data has been undertaken to shed further light on the similarities and differences between male-led and female-led businesses and attitudes to funding, for example by business age, size or sector. The recent Women Led Businesses (WLBs) Report⁵, based on data from the year ending in the second quarter of 2019 from the SME Finance Monitor, provides an analysis of key aspects of the data broken down by the gender of the owner, senior partner or majority shareholder.

Positively, the research showed that when comparing the 2019 figures to previous years' data, an increased proportion of WLBs have now been trading for 10 years or more, and WLBs have consistently been more likely to have innovated in their businesses. In addition, WLBs are as likely to have grown as those led by men (MLBs), and as likely to have achieved 'scale-up growth' (+20% growth over three consecutive years).

However, the research also showed that even though WLBs typically have both a similar size and risk profile to those led by men, just 22% of all small or medium-sized enterprises (SMEs) are WLBs. In findings consistent with The Rose Review, WLBs are still less likely to use many forms of external finance, and continue to be attitudinally reluctant to borrow funds to grow. Furthermore, applications for finance facilities from WLBs still remain significantly less likely to result in a facility being offered and accepted, with only 54% of applications from WLBs being successful, versus 73% for MLBs. We still have some way to go.

Chart 1: Draft data collection guidelines have been developed

	Application	Consideration	Funding	Data disaggregated by:	Additional data
Banks	<ul style="list-style-type: none"> Number of finance applications received 	<ul style="list-style-type: none"> Number of finance applications approved 	<ul style="list-style-type: none"> Value of finance applications approved Number of new business current accounts opened 	<ul style="list-style-type: none"> All-female, mixed-gender, and all-male businesses 	
VC firms	<ul style="list-style-type: none"> Number of pitchdecks received from potential investee businesses 	<ul style="list-style-type: none"> Number of pitchdecks reviewed by the Investment Committee 	<ul style="list-style-type: none"> Number of investments made (including both initial and follow-on investments) 	<ul style="list-style-type: none"> All-female, mixed-gender, and all-male founding teams Source of pitchdeck; warm, cold, outbound 	<ul style="list-style-type: none"> Data will also be collected on the size of fund from which the investment is made, the investment focus of the fund, and the gender split of decision makers and of the wider team
Angel investors	<ul style="list-style-type: none"> Number of proposals received Amount of funding requested from the group 	<ul style="list-style-type: none"> Number of proposals taken forward for consideration for investment, such as: number selected to pitch, number considered by your investment committee, number taken forward for further investor due diligence 	<ul style="list-style-type: none"> Number of investments made in the given period Amount per investment from the angel syndicate Composition of investors/syndicate in the deal: e.g. how many investors were women or men 	<ul style="list-style-type: none"> All-female, mixed-gender, and all-male founding teams 	<ul style="list-style-type: none"> Data will also be collected on the profile of the angel group: <ul style="list-style-type: none"> - number of angels in the syndicate/group - number of female or male investors - Any specific focus e.g. sector/geography

Source: UK Finance, NatWest, UK Business Angels Association, HM Treasury, British Business Bank

⁵ BDRC Women Led Businesses Report can be found at: bva-bdrc.com/wp-content/uploads/2020/03/Women_Led_Business_2019.pdf

Working together to identify positive practices

As part of the Code, signatories recognise the value of sharing and promoting positive practices to support the advancement of female entrepreneurship in the UK. UK Finance has held two sessions with Code signatories to start defining and sharing good practices, some of which were highlighted in the original Rose Review, such as mentoring aimed at female business owners and outreach in schools and colleges, as well as training and development for staff, volunteering programmes and research. Taking this opportunity to recognise good practice examples from fellow Code signatories, in November 2018 Santander launched their Breakthrough Women Business Leaders' Mentoring Programme which, in partnership with Women Ahead, offers one-on-one mentoring and online support to entrepreneurial female business owners. Recognising the importance of promoting networks and role models, Barclays, in partnership with The Entrepreneurs Network, launched the Female Founders Forum to bring together some of the UK's most successful female entrepreneurs to network, inspire and support one another through a series of regional events. Lloyds Banking Group is also collaborating with a number of external partners to run a series of upskilling sessions and networking events supporting female entrepreneurs across the UK, tackling self-confidence, branding and how to address practical challenges around digital know-how and business planning.

Awareness of funding

A lack of awareness of funding options continues to be a barrier for female entrepreneurs, as highlighted by a recent study by Moving Ahead, J.P. Morgan, and McKinsey & Company.⁶ Therefore, to help raise awareness of the different types of funding and the stages at which they may be most relevant for different businesses, we have included a roadmap, in Appendix 1, setting out the different funding options which are potentially available.

⁶ Moving Ahead, J.P. Morgan, McKinsey & Company. Advancing female entrepreneurship; navigating the landscape of female entrepreneurship

Building confidence to scale up and grow



I set up Cypher with a mission to empower children to navigate the changing future. To get the start-up funding I needed, I took my business plan to family and friends and raised £150k of investment. One investor suggested I apply to an accelerator programme, which helps founders develop their ideas and look for funding, and I was delighted that my application was successful.

Having secured investment already, I got free office space, which was extremely helpful. The biggest benefit was my amazing business coach who met with me fortnightly to discuss the business. She also helped me build my pitching skills and showed her belief in us by recently joining Cypher herself as our COO!

Fast forward to early 2019 and I knew I needed more funding to take Cypher to the next stage. I got great support from my existing investors and was intending to crowdfund for more when one of my investors introduced me to Addie Pinkster at Adelpha Capital, a female-led investment group and network. They said they'd love to help me raise my next round. Reading The Rose Report, published at around the same time, gave me the confidence to go down the venture capital route. Adelpha were fantastic at promoting Cypher as a strong business proposition to their investors, and we secured £250k of capital. Addie constantly gives me helpful tips and advice – for example, to make our investor updates more direct. The private equity route is a hard one to navigate, and I think men and women often need different types of support.



Elizabeth Tweedale is CEO and Founder of Cypher, which inspires children aged 5–12+ to learn the language of the future through creatively-themed coding camps which engage girls and boys to develop computational thinking and problem-solving skills. Since its launch in 2017, Cypher has grown from three to 30 teachers, reached over 1,000 children and trebled revenue. Elizabeth plans to franchise the business in the US and Middle East.

“I was inspired by The Rose Review to raise my funding ambitions and reach out to private investors.”

Elizabeth Tweedale | CEO Cypher

Initiative 2:

Launch new investment vehicles to increase funding going to female entrepreneurs

One way to tackle the stark gender funding gap is to create new financing options specifically for women and encourage investors to back female-led enterprises, as they are as likely to have achieved ‘scale-up growth’ as MLBs.⁷ Such decisions could be very profitable: recent research⁸ found that businesses founded by women delivered more than double the revenue of those founded by men, and our recent WLB Report showed that WLBs are more likely to have innovated than MLBs (40% vs 33%).⁹

The Rose Review has been driving the creation of two new funding sources designed to help more women secure business finance, whether their goal is to start up or scale up:

- **£1 billion debt funding.** In January 2020 Natwest launched dedicated debt funding to provide loans to female-led businesses of all sizes, as part of a commitment to help create at least 50,000 new businesses by 2023. By 2025 this funding will total £1 billion, and includes a programme of targeted support including information events and introductions to valuable networks.
- **Investment fund.** Coutts is looking to partner with a leading investment firm to build an investment vehicle for its high net worth clients. The vehicle will seek to increase the access for women-led businesses to equity growth capital funding in the UK if they are looking to scale up. The fund will have a strong focus on investing in female-led businesses, and ensuring portfolio companies are truly diverse. This investment vehicle is expected to launch in the second half of 2020.

In addition to these two new funding sources, in March 2019 NatWest launched a brand new initiative supporting women looking to start a business in the UK. The crowdfunding and grant funding programme, entitled ‘Back Her Business’, has been developed in partnership with established provider Crowdfunder, and forms part of the bank’s wider ambition to reduce the gender gap when it comes to entrepreneurship. The initiative has been rolled out UK-wide, and since it launched in April 2019 over £3 million has been raised through the Back Her Business platform by female-led businesses.

⁷ bva-bdrc.com/wp-content/uploads/2020/03/Women_Led_Business_2019.pdf

⁸ Morgan Stanley, The Growing Market Investors Are Missing: The Trillion-Dollar Case for Investing in Female and Multicultural Entrepreneurs, report 2018

⁹ bva-bdrc.com/wp-content/uploads/2020/03/Women_Led_Business_2019.pdf

Initiative 3:

Encourage UK-based institutional and private investors to further support and invest in female entrepreneurs

Institutional investors control £1.2 trillion of UK assets¹⁰ and can play an important role in increasing funding going to female entrepreneurs. A concerted effort to increase gender diversity in funding would parallel the rising trend toward socially responsible investment.

The Council for Investing in Female Entrepreneurs has now been formed, and creates a community of firms and individuals who are passionate about achieving long-term behavioural changes to close the funding gender gap. It is co-chaired by Alexandra Daly, CEO of AA Advisors, and Mohammad Kamal Syed, Head of Asset Management, Coutts, and co-sponsored by the Exchequer Secretary to the Treasury and the Small Business Minister at BEIS (see Appendix 5 for a full list of members). Leading figures in the finance and investment community and entrepreneurs from many sectors will share ideas, develop guidelines and encourage investment in female entrepreneurs. The Council will also work with other Rose Review initiatives, such as the Investing in Women Code, to increase female access to funding.

The Council has now met twice, in November 2019 and January 2020. It is focused on how to increase the amount of venture capital (VC) funding going to all female-founder businesses, which currently accounts for less than 1% of UK venture funding and just 4% of deals.¹¹ Three Council workstreams have been set up to concentrate on: a) establishing best practice guidelines for VCs and limited partners (LPs), in tandem with the Investing in Women Code; b) encouraging the adoption of best practice amongst VCs and LPs; and c) understanding how best to tackle the barriers female entrepreneurs face for funding. The Council will continue to meet as a whole at least quarterly, alongside the individual Council workstream meetings, with the next Council meeting scheduled for spring 2020.

¹⁰ British Business Bank, BVCA and Diversity VC, UK VC & Female Founders, report, February 2019

¹¹ British Business Bank, BVCA and Diversity VC, UK VC & Female Founders, report, February 2019

Initiative 4:

Review existing and create new banking products aimed at entrepreneurs with family care responsibilities

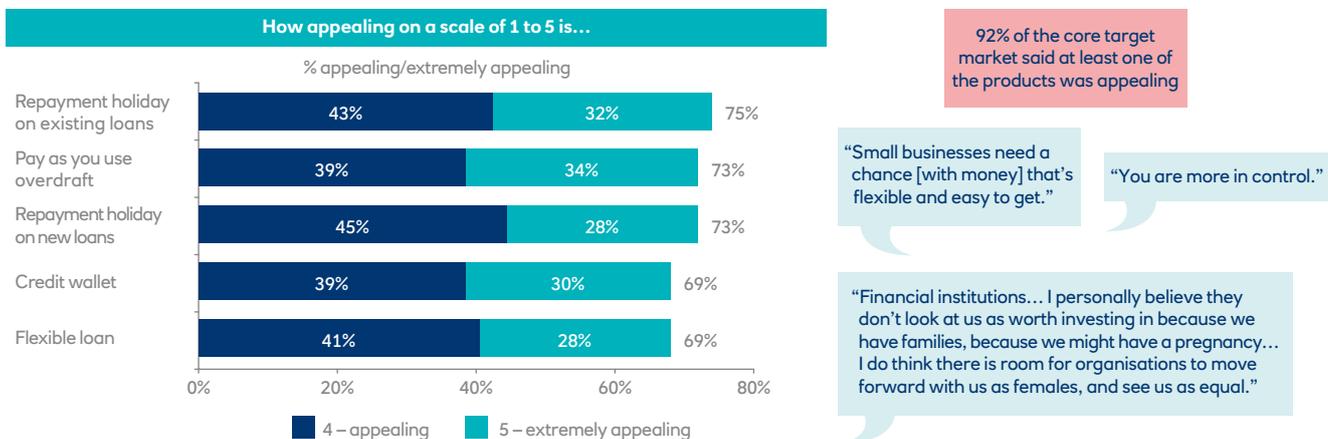
Achieving a flexible work–life balance is the number one reason why women with children start a business. However, family needs can also deter entrepreneurship. Women spend 60% more time on family care than men on average, and are twice as likely to mention family responsibilities as a barrier to start-up.¹²

Since publication of The Rose Review, NatWest has conducted qualitative and quantitative research with both female and male entrepreneurs to explore the desire for more flexible banking products and services, and to test new product concepts. With parents accounting for 36% of all UK entrepreneurs, this research suggests there is a large untapped opportunity to create innovative new banking products – or enhance existing banking products – to support business owners caring for children or other family members.

The research showed that the majority of entrepreneurs surveyed (69%) felt that no banks in the UK were widely associated with actively supporting female entrepreneurs. Furthermore, some entrepreneurs said that having family care responsibilities meant they felt reluctant to speak to their banks, as they believed banks would view this negatively in someone running a business. Of the female business owners surveyed, 56% said they believed banks did not show enough support to business owners with family care responsibilities. The research also showed that if banks were to take the initiative to offer family-friendly banking products, this would be viewed very positively by entrepreneurs of both sexes.

Female business owners found all five flexible product concepts tested in the research very appealing – see Chart 2. Based on the findings, NatWest has adapted and relaunched two products designed specifically to support entrepreneurs with family care responsibilities throughout the lifecycle of their business. The research has also been shared with other banks through UK Finance so they can use the insights to develop their own offers.

Chart 2: All five products had considerable appeal for female business owners with family care responsibilities



Base: All-female-owned businesses with family care responsibilities and a borrowing need (158). Graph and table displays top 2 box (appeal of products: appealing/extremely appealing). Scale 1–5, where 1 = not at all appealing and 5 = extremely appealing

¹² assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_final.pdf

Flexibility is key when juggling business with children



When I worked in the NHS, I'd leave the house at 6am and not get home until 8pm, three or four days a week, so it was really difficult to be there for Max. It's much better now because I can juggle things more. If there are things going on at school, I can swap my hours around with other staff members.

I'd like banks to offer products that are flexible too. They are quite rigid. You have a package for business banking and that is how it stays – anything different to that, there are fees associated. But sometimes things happen unexpectedly that you can't plan for.

For example, when Max had chickenpox suddenly, it was a nightmare. It wasn't something I knew about in advance, and nobody could have him as he was so infectious. If it wasn't for my colleague stepping up and doing extra hours, I would have had to close the store or really reduce my hours. Having a banking product with flexibility would have really helped me – knowing there is something in place that I could activate if I'm going to lose a week of working income and potentially a lot of fresh stock as well. With loans, the more you borrow the lower the interest rate, which doesn't help at all because you don't necessarily want all that money. And sometimes it takes months and months. The flexibility is key. Maybe you could even have a product you could pre-load and pre-invest, say in your early 20s before you have a family.



Emma Cooper is the owner and day-to-day manager of Max's Coffee Shop in Four Oaks, which she set up in April 2017. The shop is open Monday to Saturday, so she often works into the evening to handle her business paperwork, banking and admin. Emma is the main carer for her eight-year-old son Max, as her husband's job takes him all over the West Midlands area.

“Something where you perhaps pay a little more upfront to get more flexibility, then draw back on at the times you need it, would be just amazing.”

Emma Cooper | Max's Coffee Shop

Initiative 5:

Improve access to expertise by expanding the entrepreneur and Expert in Residence programme

Many female entrepreneurs stress the vital importance of good professional and technical advice on topics such as funding, marketing and exporting. Many also describe their struggle to access such advice, especially in rural areas. The Rose Review highlighted that access to local support and help can be critical and can also act as a catalyst for business and entrepreneurs, so called for greater co-operation between private sector actors and business hubs to provide access to further resources and expertise.

The Expert in Residence (EiR) initiative is a programme of locally-led collaborations with Local Enterprise Partnerships (LEPs) and Growth Hubs throughout England, to increase access to private sector knowledge and expertise. Local professionals and specialists offer impartial advice and support to all entrepreneurs seeking help, while taking targeted steps to reach and assist more women to start and grow successful businesses.

After publication of The Rose Review, NatWest piloted a financial Expert in Residence programme in the Coast to Capital (C2C) and York & East Riding LEPs – two very different areas and local economies. Following the success of the initial pilots, the NatWest programme has been rolled out to all 38 LEPs, with support from BEIS and HMT. The EiR working group is now consulting with potential partners in other sectors, to further expand the programme. In November 2019 LinkedIn ran a ‘train the trainer’ digital skills workshop, training the financial experts in residence who then passed their knowledge on to entrepreneurs at their individual LEPs, and in the first quarter of 2020 experts from Microsoft are spending time in the C2C LEP to understand the needs of the local entrepreneurs and deliver a programme of training based around these findings.

With the financial EiR programme, experts commit to spend seven hours each week with their LEP, helping local entrepreneurs tackle challenges identified in The Rose Review. Support takes many forms, including giving business funding advice, hosting joint events, peer-to-peer training, social media outreach and connecting entrepreneurs to other local information sources, businesses and potential mentors. The goal is to empower business owners, and we have seen a real demand for this service. Within the first six months of the programme launching at the Coast to Capital LEP, the banker in residence supported over 200 female entrepreneurs, and helped the LEP host events for more than 1,000 business owners looking for advice or support.

This dedicated support is having a tangible impact in the LEP itself. Through the additional awareness and support that the banking EiR programme provides, the Coast to Capital LEP saw an increase in the number of Expressions of Interest in the 2019 Growth Grant programme by female entrepreneurs in the first six months, which were 23% of total applications (compared to 14% in 2018). As we can see, however, there is more to do.

We need public–private collaborations to achieve real change



I've run my own business, worked in the corporate world and held public sector roles – and in recent years attempted to juggle this alongside a young family. What The Rose Review did so well was to lay out the evidence that helping women succeed in businesses is an economic imperative. It's key to the future success of the UK economy. We needed someone like Alison with her energy, passion and profile, and with government support, to push it up the agenda.

The challenge now is to engage people across the board, from public, private and third sectors, to create the support structures to help women be successful. LEPs have a key role and opportunity to do that at a regional level: it's our job to galvanise those local public–private sector collaborations – leveraging investment and resource to foster business growth.

The banking Expert in Residence joint programme has been really successful. The crucial thing is making sure we all ask the right questions and have a dialogue about the challenges. We mustn't pigeonhole women: what might be perfect for some women may be wrong or feel patronising for others. We discuss and debate and think very hard about when we hold events, who we put on a panel and when to run women-only or mixed events. We're currently planning an event to bring together people who came to us through the EiR sessions with senior women business leaders in the Gatwick area. The panel will share their journeys – struggles and pitfalls as well as successes – and some new mentoring relationships may result. That chance to access skills and learn from other people's experience is incredibly valuable for any entrepreneur.



Julie Kapsalis is Vice-Chair and Diversity Champion of Coast to Capital LEP; Managing Director at CCG, a Board Member at Gatwick Diamond Business and the Institute of Economic Development; and chairs the Chichester Chamber of Commerce & Industry. Helping women succeed in business, whether as entrepreneurs or in corporate life, is a longstanding passion for Julie, who served as an advisor to the UK Government's task force on women's enterprise under Gordon Brown.

“The Rose Review spelled out the UK economic case for helping female entrepreneurs succeed. Now we need to bring people together at a regional and local level to make it happen.”

Julie Kapsalis | Coast to Capital LEP

Initiative 6:

Expand existing mentorship and networking opportunities

Networks are a powerful mechanism to inspire and support entrepreneurs, and increase the likelihood that they will be successful. Women are less likely than men to know at least one entrepreneur – a factor which doubles the likelihood that they will start or grow a business. The Rose Review highlighted a strong desire among women for relevant, relatable, local networking options that are accessible to those with family care responsibilities or living in rural areas.

This initiative is looking at ways to connect and amplify existing networking and mentoring programmes, and to increase their reach and impact for female entrepreneurs – while recognising that individual mentoring needs vary widely and will change over the lifetime of a business. BEIS is currently leading the discussion with organisations such as Be the Business, UK Finance, The Prince's Trust and The British Library, all of whom plan to expand their current mentoring initiatives.

The Prince's Trust Youth Entrepreneurship Review¹³ targets support for young entrepreneurs aged 18–30, while Be the Business's Mentoring for Growth scheme¹⁴ and the UK Finance MentorsMe scheme¹⁵ both focus on matching SMEs with mentors from leading companies. The British Library's Democratising Entrepreneurship model¹⁶, which provides free or low-cost information and mentoring through regional Business & Intellectual Property (IP) hubs and local libraries, has proved particularly effective at increasing diversity, by reaching groups who are under-represented in business. Over half (55%) of Business & IP Centre users who went on to start a new business were women, and 31% were from Black and Minority Ethnic (BME) backgrounds.

¹³ [gov.uk/government/news/new-plans-to-help-next-generation-of-young-entrepreneurs-turn-their-ideas-into-reality](https://www.gov.uk/government/news/new-plans-to-help-next-generation-of-young-entrepreneurs-turn-their-ideas-into-reality)

¹⁴ bethethebusiness.com/mentoring-for-growth/

¹⁵ mentorsme.co.uk/useful-resources/mentee-articles/getting-started-mentee

¹⁶ bl.uk/business-and-ip-centre

Initiative 7:

Accelerate development and roll-out of entrepreneurship-related courses to schools and colleges

Teaching entrepreneurship in schools raises awareness of this option among young women and may increase their confidence to one day start a business. It can also highlight important choices, such as the value of studying STEM (science, technology, engineering, and mathematics) subjects to enter certain industries. Two new efforts are underway to help develop entrepreneurial mindsets and capabilities among UK students and pupils, focusing initially on those aged 10–18:

An Entrepreneurship Education Coalition

Significant energy and expertise exists in this space already, but it can be disjointed and fragmented. We have brought together a variety of public, private and third sector organisations (see Appendix 6), who are working with UK schools today to build capabilities in enterprise, leadership, financial literacy, self-belief and other work-life skills. By bringing these different bodies together in a collaborative partnership, we can share insights and best practices, and explore ways to leverage expertise across the group. The Coalition reports to the DfE and BEIS, and several workshops have now been held to help form a government proposal, with initial areas of focus including:

- How to reach more young people and achieve greater impact
- How to overcome barriers and unconscious biases that deter young girls from entrepreneurship
- Whether and how to develop a common set of materials for entrepreneurship education.

Dream Bigger

The NatWest Dream Bigger programme is aimed specifically at girls aged 16–18. Delivered through digital modules, downloadable teaching resources and live events, it aims to inspire young women to understand their potential and empower a new generation of female entrepreneurs and leaders. The programme is led by NatWest's Entrepreneur Development Academy and introduces participants to the skills used within the NatWest Accelerator Hubs, including purpose, mindset, self-awareness, creativity, leadership and communication. On average, following a Dream Bigger live event, the audience are more than twice as likely to want to embark on the entrepreneurial journey, and by the end of February 2020 over 1,700 young women had attended a Dream Bigger live event. Work is currently underway to scale up the programme as Dream Bigger looks to work with other partners. In March 2020 Dream Bigger will be holding their first joint event with Microsoft, with plans to collaborate further.

Initiative 8:

Create an entrepreneur digital first-stop shop

There is a wealth of information for entrepreneurs online. The challenge is how to navigate the many different resources available. Women interviewed for The Rose Review felt that sites are often intimidating and jargon-laden; searching is time-consuming; there are gaps and overlaps between sites; and information is not targeted to individual needs, industry, venture type or stage.

Discussions are underway with potential partners to create a straightforward and comprehensive first-stop digital resource to help entrepreneurs access the most relevant advice, personalised to their situation. This resource will leverage the incredible amount of information that is already available and make it easier to navigate. The vision and detailed delivery proposition are built around five key needs:

- **Fund** – Personalised funding advice, tools and options, linked to a questionnaire
- **See** – Case studies, success stories and role models based on personal situation, industry, size and stage of business
- **Plan** – Templates and tools to set up and run a business, with links to relevant policies and professional services
- **Learn** – Industry-specific updates and training, recommended e-learning and in-person courses, information for businesses at different sizes and stages of growth
- **Meet** – Tools to match entrepreneurs to events, mentors, other businesses or potential hires, based on industry, interests, location or other keywords.

Conclusion

We deeply appreciate the commitment, effort and energy shown by so many individuals and institutions since publication of The Rose Review, which has helped drive real progress on all eight recommendations. We hope many more will come on board to help build even greater momentum.

There is still much to do to tap the full unrealised economic potential of UK women entrepreneurs. The eight initiatives underway are just the starting platform for further wide-ranging and long-lasting change – our work will continue to evolve and expand.

Our ambition is to create a comprehensive ecosystem of support for female entrepreneurs which can help close the gender gaps that currently exist at every stage of the entrepreneurial journey. We will continue to:

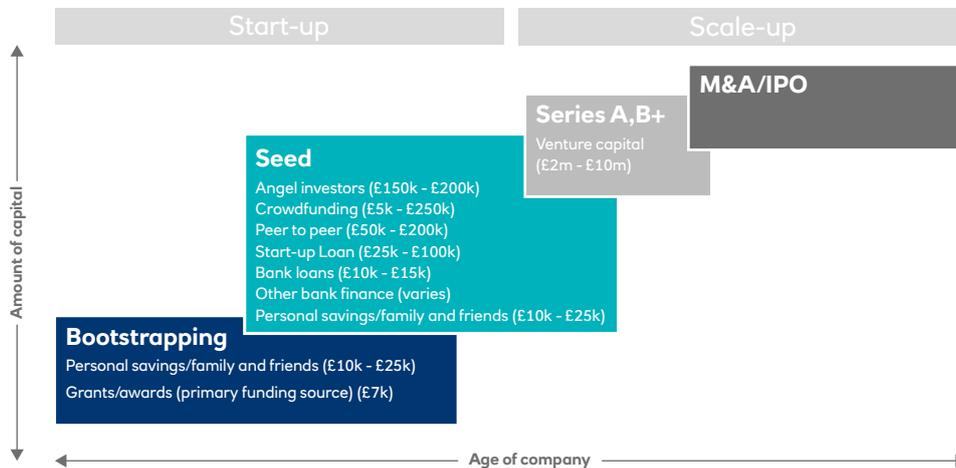
- Hold ourselves and others to account to deliver tangible outcomes
- Create greater transparency through data by extending gender-related reporting to a wider range of areas
- Define and track the critical key performance indicators to understand which actions have greatest impact and return on investment.

Our regular future progress reports will show how we are succeeding as a society and an economy in starting to unlock the £250 billion of untapped potential identified in The Rose Review, and towards increasing the number of female entrepreneurs by 50% by 2030.¹⁷

¹⁷ [gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship](https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship)

Appendices

Appendix 1: Stages of the Entrepreneur Funding Journey¹⁸



Bootstrapping

This funding is for the earliest-stage businesses, which may not have been set up yet. Finance provided will be the smallest sums in the entrepreneurial journey, and might cover initial set-up costs such as materials, a few months' rent, outsourced advice (legal, product, etc.).

- **Personal savings/family and friends.** Many entrepreneurs rely on personal funding and funding from family and friends at this stage of their journey. This funding may be pro bono or equity-based.
- **Grants/awards.** Non-repayable, small sums of money handed out by businesses, organisations and government to fund the initial expenses for setting up a business.

Seed

Seed funding provides the initial capital to kick-start a business. Usually relatively small in sum, although larger than that received at the bootstrapping stage. Businesses will typically be pre-profit, and potentially even pre-revenue/pre-proof-of-concept. These sources of funding may be equity- or debt-based.

- **Angel investors.** Individual investors who take a minority stake in a business in exchange for a relatively large cash injection – so it is an equity-based form of finance. While entrepreneurs lose a stake in their business, angel investors usually bring valuable experience, mentoring and access to networks. Angels can invest in groups, called syndicates.

¹⁸ Sources: British Business Bank – The Business Finance Guide (thebusinessfinanceguide.co.uk/journey/); NatWest – An SME's guide to funding; RBS Pre Accelerator April 2018 Applications; 'Routes to Finance', London & Partners, UK Association of Business Angels

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- **Crowdfunding.** Raising money collectively through small contributions from numerous individuals on a platform. Can be equity- or debt-based. Debt-based crowdfunding investors expect to be repaid. Since equity-based crowdfunding is riskier for investors, they typically expect a greater return on their investment. Crowdfunding is suitable for businesses with captivating business plans that many individual investors are likely to understand and be persuaded by.
 - **Peer to peer.** Loans from investors, usually private individuals, who have an interest in investing in business. They are usually connected to potential borrowers via an online platform or network.
 - **Start-up Loan.** Government-backed personal loan for businesses trading less than two years, provided by the British Business Bank through the Start Up Loans Company. All partners in a business can apply for £25k individually, up to maximum of £100k per business. These loans are unsecured and come with 12 months' mentoring.
 - **Bank loans.** Similar to a loan for an individual, but for a business. You'll likely need a strong business plan, good credit and collateral. These loans can be secured against both business and personal assets.
 - **Other bank finance.** Banks also offer other types of financial support for small businesses, such as overdrafts, leasing and hire purchase, export and trade finance, and asset-based lending.
 - **Personal savings/family and friends.** Many entrepreneurs still rely on their own capital, or that of their friends and family for this stage of the entrepreneurial journey.

Series A,B+

This stage of finance is for businesses further along the entrepreneurial journey who are looking to significantly scale up their operations. At this stage, a proven track record, or gap in the market, is usually required to secure funding. Venture capital firms (VCs) will usually invest several million in portfolio companies.

- **Venture capital.** VC firms invest relatively large sums of money in businesses where they see a significant growth opportunity and potential for high returns. This is an equity-based form of finance, where the VC will take a minority stake in the business. Positively, they will provide access to mentorship, networks and advice based on experience, along with board representation. Stages A, B, and onwards increase in the value of cash invested by the VC, and are for businesses that are further along the entrepreneurial journey.

Appendix 2: Contributors to The Rose Review

The progress outlined in this report is the result of a combined effort of many contributors. We would like to thank everyone who has contributed, not all of whom are captured below, but we would like to thank the following people, who generously contributed their time in progressing the eight interventions since the publication of the original report.

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Adam Tiley, NatWest
Addie Pinkster, Adelpha
Adrian Portugall, LinkedIn
Aisling Press, Danske Bank
Alban Stowe, The Prince's Trust
Alexandra Daly, AA Advisors
Alice Hu Wagner, British Business Bank
Ally Richardson, NatWest
Amanda Shovelton, NatWest
Amanda Waldock, NatWest
Amber Stevens, NatWest
Amy Ellington, HMT
Amy Ward, Pollen Street Capital
Anastasia Aidoo, BEIS
Andrew Harrison, NatWest
Andy Gray, NatWest
Andy Light, NatWest
Andy Vane, NatWest
Angela Connolly, Lloyds Banking Group
Anna Stephens, NatWest
Anne Fairweather, Nationwide
Arleen Arnott, KPMG
Asy Ho, NatWest
Becky Burt, NatWest
Bill Muirhead, Peter Jones Foundation
Bina Mehta, KPMG
Camilla Richards, Atomico
Catherine Douglas, TSB
Catherine Lewis La Torre, British Business Investments/
British Patient Capital
Charity Freebairn, LinkedIn
Charlotte Keenan, Goldman Sachs
Chris Curtis, NatWest
Chris Loring, Lloyds Data Lead
Chris Maguire, NatWest
Chris Tilley, Coutts
Christian Strain, Summit Partners
Christina Watson, UKYouth
Christopher Haley, NESTA
Christopher Wilkinson, NatWest
Cindy Rose OBE, Microsoft
Cinzia Vaselli, NatWest
Claire Cunningham, Addleshaw Goddard
Clare Martin, NatWest
Dana Haimoff, JP Morgan
David Dooks, UK Finance
David Gimson, British Library
David Oldfield, Lloyds Banking Group
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Nathan Johnson, NatWest
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Roni Savage, Jomas Associates
Rosie Hall, PwC
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Sean McGovern, NatWest
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Sharon Vosmek, Astia
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Shiona Davies, BDRC
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Simon Davis, Clifford Chance
Simon Jackson, Business Enterprise Fund
Simone Blair, Microsoft
Stephen Pegge, UK Finance
Stephen Welton, British Growth Fund
Stuart Boxall, British Library
Stuart Browne, NatWest
Susan Allen, Santander
Suzanne Jenkins, AA Advisors
Taraneh Farzned, Barclays
Tarik Ouhtit, Amazon Web Services
Tim Larder, Amazon Web Services
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Val Buckingham, Fredericks Foundation
Vicky Stevens, NatWest
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Victoria Jonson, British Business Bank
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Wayne Bartlett, Microsoft
William McQuillan, Frontline
Wincie Wong, NatWest
Yvonne Greeves, Royal Bank of Scotland
Zach James, The Prince's Trust

Appendix 3: The Rose Review Board

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Kemi Badenoch MP, Exchequer Secretary to the Treasury, Her Majesty's Treasury (Board Co-Chair)
Addie Pinkster, CEO of Adelpha Group
Alexandra Daly, CEO of AA Advisors and Co-Chair of The Council for Investing in Female Entrepreneurs
Alice Hu Wagner, Managing Director – Strategy, Economics & Business Development, British Business Bank
Alison Rose, CEO NatWest (Report Author)
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Gurpreet Manku, BVCA's Deputy Director General & Director of Policy
Jenny Tooth OBE, CEO of UK Business Angels Association
Justine Roberts, Founder & CEO Mumsnet and Gransnet
Kathryn Parsons, Founder & Co-CEO of Decoded
Stephen Pegge, Managing Director at UK Finance

Appendix 4: The Investing in Women Code

Code signatories

Angel Academe	Frontline
Anglia Capital Group	Green Angel Syndicate
Astia	Lloyds Banking Group
Bank of Ireland	Metro Bank
Barclays	Nationwide Building Society
BGF	NatWest Group
British Business Bank	Oxford Investment Opportunity Network
Business Enterprise Fund	Santander
Elite	The Co-operative Bank
Episode 1	TSB
Fredericks Foundation	UK Business Angels Association

Appendix 5: The Council for Investing in Female Entrepreneurs

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Camilla Richards, Atomico	Mercedes Fernandez Elias, Morgan Stanley
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Charlotte Keenan, Goldman Sachs	Sharon Vosmek, Astia
Christian Strain, Summit Partners	Shona Baijal, UBS
Dana Haimoff, JP Morgan	Simon Davis, Law Society of England & Wales/ Clifford Chance

Appendix 6: Education Coalition Members

The Careers and Enterprise Company	The Prince's Trust
Founders4Schools	Skills Builder
NatWest	Young Enterprise
Nesta	UKYouth
Peter Jones Foundation	

