



# L'ŒIL DU LAB

Female entrepreneurs in underprivileged areas: greater caution in ambition and objectives or better business management?

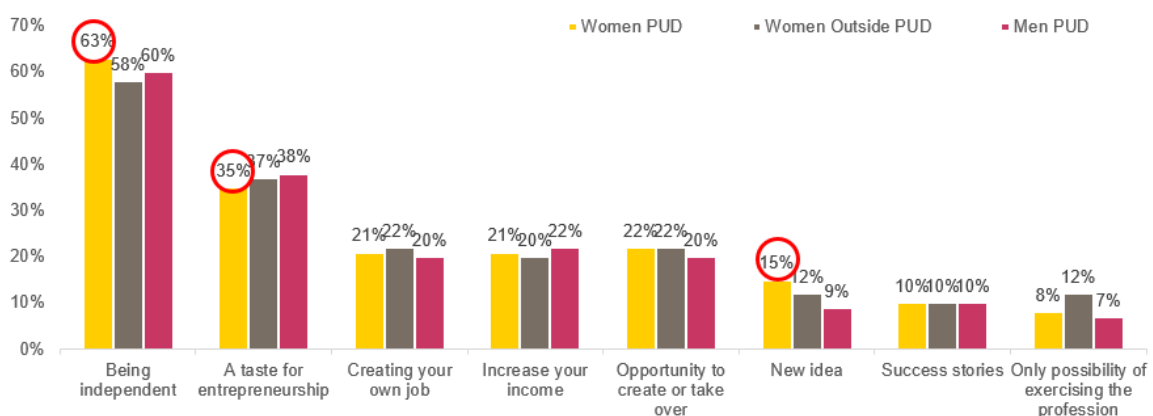
## Female business creators in underprivileged areas: key features of their companies

The first two articles in this series on female entrepreneurs in underprivileged areas outlined the profiles of the women concerned and their businesses. In the first article we saw that the relatively low proportion of women, just 30%, behind the businesses created in underprivileged areas could be attributed to the additional difficulties imposed by family commitments or by starting from an even more disadvantaged position financially. This appears to be a feature of female entrepreneurship in general. In the second article we saw that women business creators in underprivileged areas more often worked in certain trade sectors (commerce, restaurants/catering, healthcare and social services, public administration, services to businesses and individuals) that are characterised by a large number of separate customers. A higher level of qualifications is required for some of these sectors. Moreover, while more modest at their outset, female entrepreneurs' businesses appear to show better three-year survival rates and greater growth potential.

Now we examine what helps and hinders their progress, and their key assets at start-up. The general finding is that women tend to start businesses from more modest beginnings than men, focused on their financial independence, subsequently becoming more aware of their business' potential for growth.

### Starting a business often driven by a desire for independence

The main motivations for setting up a business\*\*

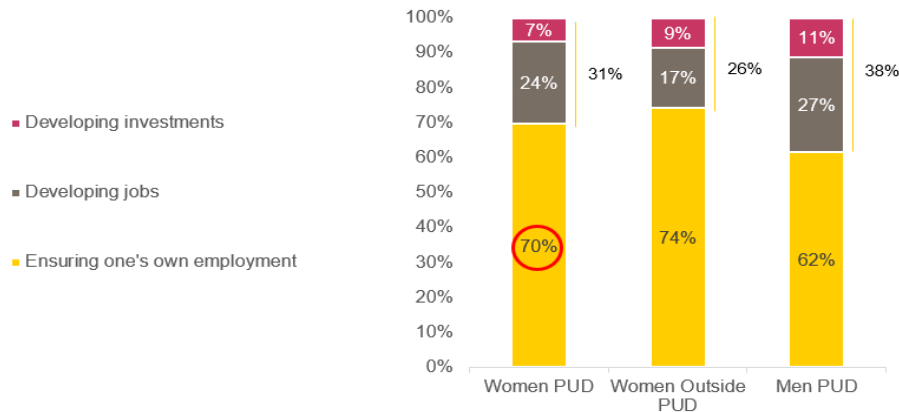


(\*\*) Multiple answers possible; as a percentage of the number of respondents  
Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2014

*The projects of women entrepreneurs in PUDs are mostly motivated by a desire for independence*

It is less the adventure or any taste for entrepreneurship that pushes women in underprivileged areas to start their own businesses, and more a wish for independence or to give life to a new idea. Independence is a prime motivation for the majority of entrepreneurs, men and women. However, it does appear to be an even stronger driver for women starting businesses in underprivileged areas (63% versus 60% for men). They are also more inclined than men to start a business to introduce a new idea (15% versus 9%), but slightly less out of any taste for entrepreneurship (35% versus 38%).

The creator's main objective



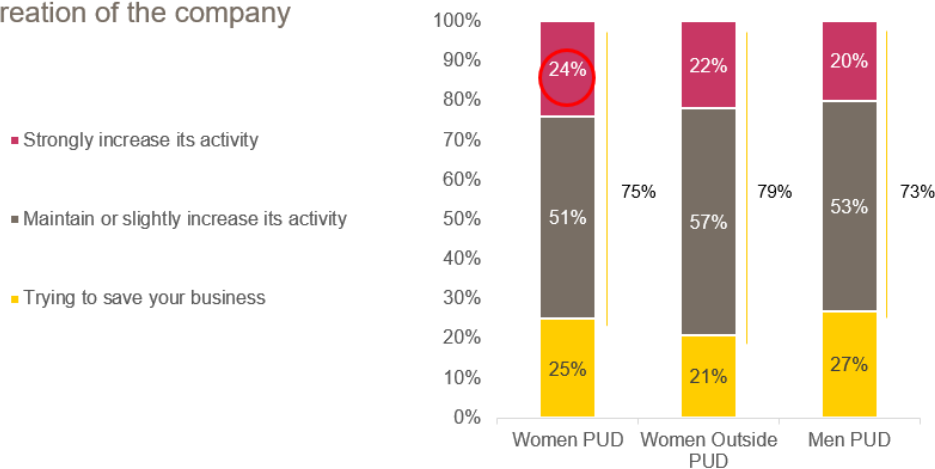
Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2014

*Women in PUDs start more businesses to secure their own employment than men*

Moreover, women create a business more often than men for reasons of securing their own employment (70% versus 62%). This confirms the financial independence factor but can also result in a more cautious approach in the early days. In both cases, the issue is to encourage women business creators in underprivileged areas to have more self-confidence, to not hold themselves back, and to 'think big' from the outset.

**A stronger desire for growth after three years**

The main objective of the entrepreneur during the 3 years following the creation of the company



Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2017

*Women entrepreneurs in PUDs are more interested in growing their business after 3 years than men*

It is a positive sign that after their first three years in business, women entrepreneurs in underprivileged areas seem to show slightly more ambition than men, especially when it comes to substantially expanding their business. Once underway, they therefore seem to raise their ambitions.

The first three years of real-life experience in business provide a certain confidence boost as regards their ability to develop it further. A great deal of research shows that women entrepreneurs have greater ambitions for the growth of their business than men.

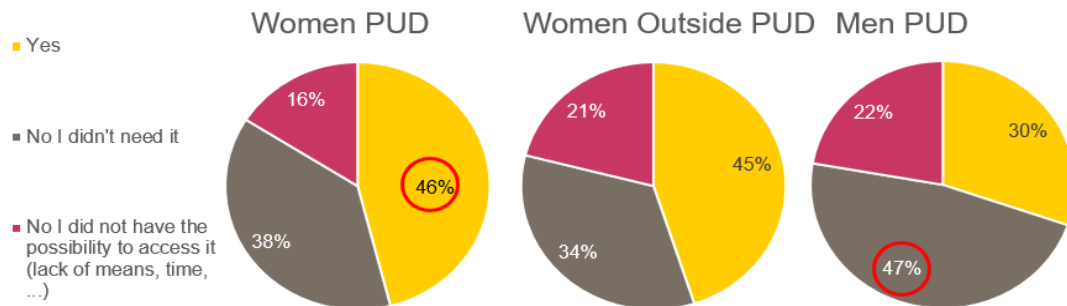
Better education and training, and fewer obstacles to growth seem to explain this change in outlook over the first three years.

## Greater thirst for knowledge

Women starting businesses in underprivileged areas will more often take training during the first three years of trading and will also more often use external consultancy services.

Almost half of them in fact (46%) take training within the first three years of starting their business. This is much more than men, just 30% of whom take any kind of training. Moreover, a much higher proportion of male entrepreneurs even claim that they do not need any training (17% versus 38% of women).

Training of entrepreneurs during the 3 years following the creation of the business

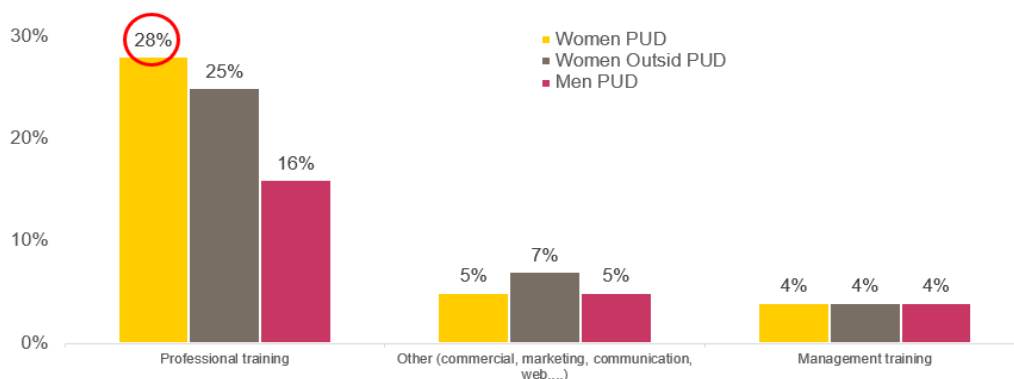


Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2017

*Women entrepreneurs in PUDs are more likely to use training during the first three years than men*

When taking training, female entrepreneurs in underprivileged areas very much prefer to consolidate their skills in their field of work. Other types of training, such as sales development, communications and management are much less sought-after by entrepreneurs in general, and all the more so for women. Although such business management and sales development skills are very useful for commercial expansion, they do tend to be undervalued as already described within the [Entrepreneurship in underprivileged areas: Releasing all untapped potential](#) report.

Type of training received during the 3 years following the creation of the company\*\*

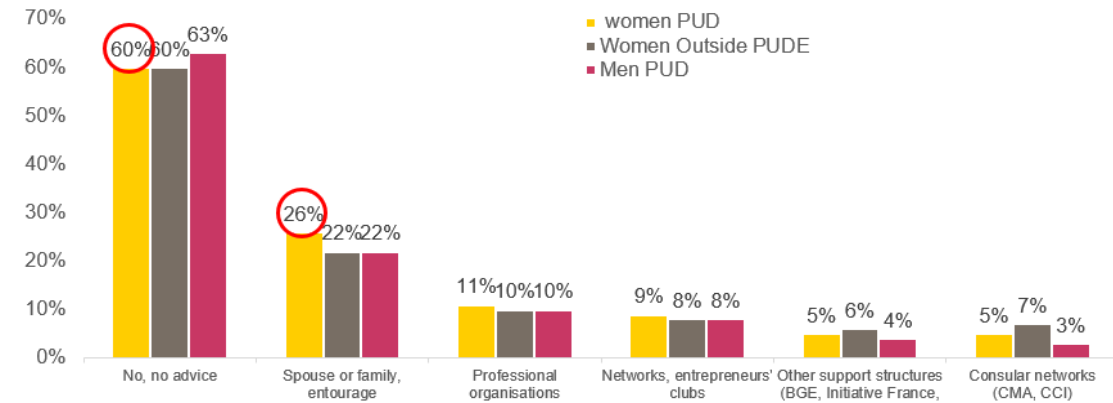


(\*\*) En pourcentage du nombre de répondants total ; concerne ceux ayant reçu une formation au cours des 3 années suivant la création de l'entreprise

Source : Bpifrance Le Lab d'après SINE INSEE et CGET, données entreprises 2017

*More women entrepreneurs in PUDs prefer business training to other types of training*

Advice received in the 3 years following the creation\*\*



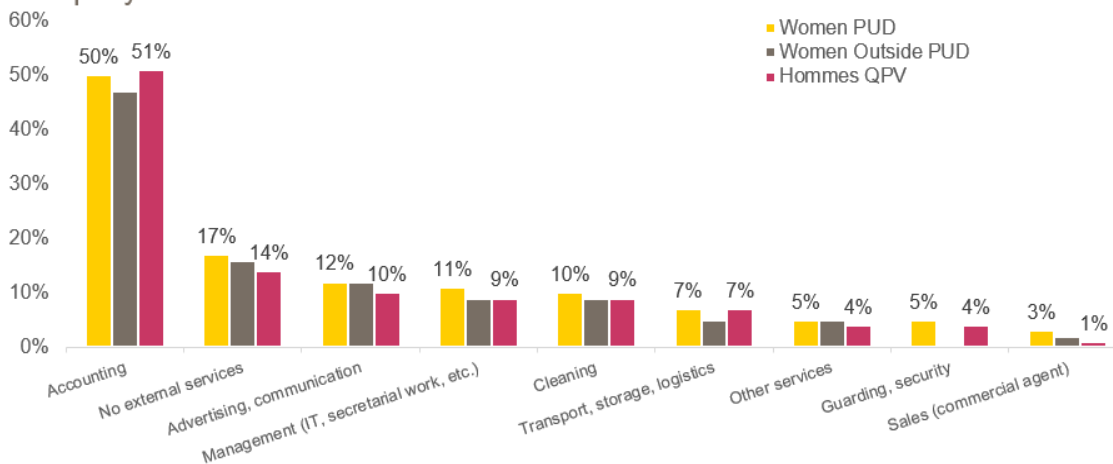
(\*\*) As a percentage of those with no training; multiple-choice question if did not answer "no advice"; accountants and bankers excluded.  
 Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2017

*Women entrepreneurs in PUDs receive more advice from their close circle than men*

Women starting businesses in underprivileged areas appear to make slightly more use of outside advice than men (40% versus 37%). When they do seek advice, a higher proportion turns in particular to family and friends than is seen among other entrepreneurs. It is interesting to note that some research highlights greater difficulties for women in accessing entrepreneur networks. However, [other research](#) indicates otherwise, i.e. a greater propensity in women to seek advice from professional or partner networks, while men reportedly turn more often than women to friends or family. The issue is therefore not yet entirely decided.

**Similar use of paid external services**

Use of external services for a fee during the 3 years following the creation of the company\*\*



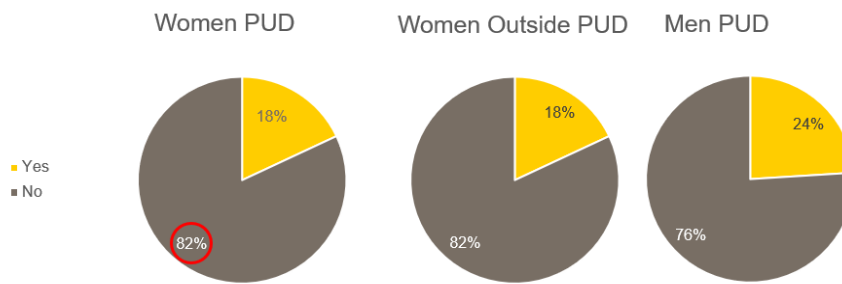
(\*\*) As a percentage of respondents; multiple responses possible.  
 Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2017

*Women entrepreneurs in the QPV use external services as much as men*

In any event, female entrepreneurs in underprivileged areas make the same use as men of external services, such as accounting services which, unsurprisingly, are the most frequently used by entrepreneurs in general.

## Fewer obstacles to development

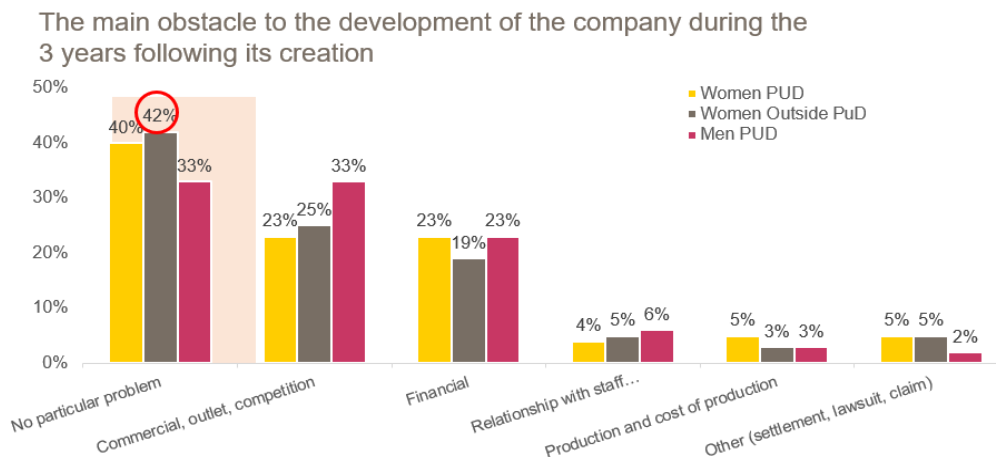
Obstacles to investment in the 3 years following creation



Source : Bpifrance Le Lab d'après SINE INSEE et CGET, données entreprises 2017

*More women entrepreneurs in PUDs report not encountering any obstacles to investment during the first 3 years*

There are no obstacles to investment in the first three years of operation according to 82% of women starting businesses in underprivileged areas. This is six percentage points higher than for men and is not easy to explain.



Source: Bpifrance Le Lab according to SINE INSEE and CGET, company data 2017

*More women in PUDs report no particular problems in the first three years compared to men*

While research shows that women experience greater difficulties accessing financing for their start-ups, the SINE-INSEE new business data does not appear to show it as a particular hurdle for female entrepreneurs in underprivileged areas. In fact, over the first three years from creating their businesses, 23% of them report the financial aspect as an obstacle to development, which is the same figure as for men. Generally speaking, a lower proportion of women face obstacles than men (40% versus 33%). As regards sales opportunities and competition, here too, women report these as issues less frequently than men (23% versus 33%).

Ultimately, three hypotheses emerge, and they might not be mutually exclusive. Female entrepreneurs in underprivileged areas start smaller than men, while more of their businesses survive successfully for three years. This might be a result of greater caution or women holding themselves back more at the start, as a result of the main driver being financial independence. It could also be due to a different strategy, not so much a lack of ambition as a more cautious approach at the beginning. By starting in a more measured way, women starting businesses in underprivileged areas encounter financial and commercial obstacles less often, and manage more development combined with greater resilience. However, the hypothesis might also be made that, because they start from more disadvantaged positions than men, the over-selectivity mentioned affecting entrepreneurs in underprivileged areas in general is even stronger for women, and those who do manage to start a business are more successful simply because they have greater desire and better skills.



**Read our related study**

**Entrepreneurship in  
underprivileged areas:  
Releasing all untapped potential**

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