

# Summary of the Evaluation of Women Entrepreneurship Strategy RDA-Delivered Programming

(2018-19 to 2023-24)

## OVERVIEW

### Women Entrepreneurship Strategy (WES)

The Women Entrepreneurship Strategy (WES) was launched in Budget 2018. Representing nearly \$2 billion of investments and commitments, the WES aligned government resources and interventions to support women entrepreneurs under a single federal framework. Regional Development Agencies (RDAs) delivered two Grants and Contributions investments.

#### Women's Entrepreneurship Fund (WE Fund)

Focused on addressing capital access gaps for women entrepreneurs and financing their efforts to scale and grow their businesses. Women-owned and/or led Small and Medium Enterprises (SME) were eligible to apply for non-repayable contributions of up to \$100,000.

#### WES Ecosystem Fund

Focused on supporting not-for-profit organizations to strengthen capacity and ecosystem gaps for diverse populations of women entrepreneurs. Priority areas included incubator and accelerator programs, networking, and mentorship opportunities.



Total WES Funding (2018-19 to 2022-23) of **\$130,284,000**.

- \$124,485,500 to program delivery
- \$5,799,000 to the ISED-led WES secretariat for national coordination



The evaluation was conducted using multiple methodologies and assessed the relevance, performance and efficiency of the 2018 RDA delivery of WES. The scope of the evaluation covered the period from April 1, 2018, to March 31, 2023.

## FINDINGS

### RELEVANCE

- Women's representation as SME owners remains low overall, especially across certain diverse groups of women.
- Women entrepreneurs are **over-represented in the service industries** and **underrepresented in traditionally male-dominated sectors** such as manufacturing and construction.
- Women face a variety of challenges and barriers to pursuing entrepreneurship, such as insufficient access to funding, loans and network / mentorship opportunities and lack of affordable childcare.

#### Social & Economic Benefits to increasing women entrepreneurship

- Women-led SMEs are more likely to pursue social and environmental impacts and are subsequently more successful at reaching environmental goals.
- Investing in women's entrepreneurship increases women's economic empowerment, an important social goal.
- Research shows that encouraging women to become entrepreneurs can increase economic development in general.



In 2022, **16.8%** of all enterprises were majority-owned by women.

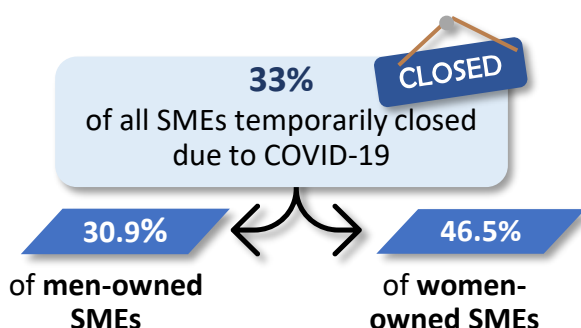
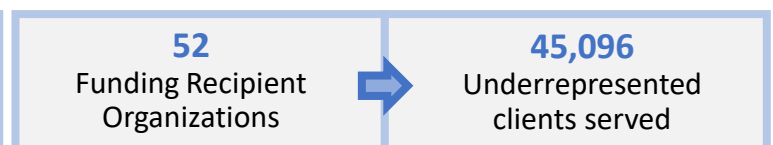
### PERFORMANCE

As a result of the strategy's multi-pronged outreach efforts, which were largely successful, **the WE Fund and WES Ecosystem Fund saw significant uptake, including amongst diverse groups of women entrepreneurs.**

#### WE Fund

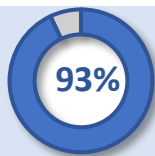


#### WES Ecosystem Fund



Measures were put in place by the WES to mitigate **COVID-19 related challenges** including additional funding and supports, use of e-signatures, digital tools, and timeline extensions, **These were generally successful in allowing WE Fund and WES Ecosystem Fund recipients to complete what they planned to do.**

## WE Fund



indicated that the WE Fund helped them **grow their business**.

- Sustain their company (3.7%)
- Start their company (2.4%)

## Other top benefits identified by WE Fund recipients:

- Gaining access to new markets (57%)
- Developing / launching additional products (55%)
- Hiring additional employees (41%)
- Additional marketing / advertising equipment (40%)
- Retaining existing employees (29%)

## WES Ecosystem Fund

**Top two reported benefits** by WES Ecosystem Fund participants:



Strengthening entrepreneurial skills

45%



Networking or mentorship services

40%

## Other top benefits identified by WES Ecosystem Fund participants:

- Growing an existing business (17%)
- Supported in participating in underrepresented sectors (14.5%)
- Starting a new business (13%)
- Supported in supplier diversity initiatives (8%)
- Accessing new markets abroad / exporting (4%)

## Challenges



**Lack of consistent and complete performance data** due to COVID-19 related challenges on funding recipients.



**Gap between the expected results and implementation**, specifically having the creation of new businesses as an expected result, but no new businesses having been funded through the WE Fund.

## EFFICIENCY

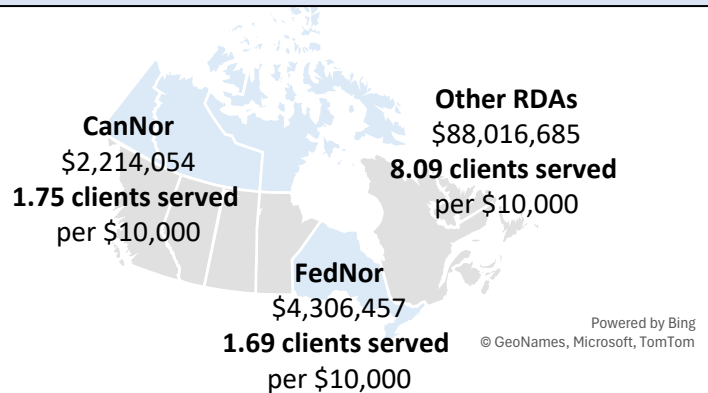
Regional delivery of the WES by the RDAs was found to be effective. RDAs were aware of the “on the ground” realities and needs of women entrepreneurs in their region, and they were able to deliver programming most appropriate to their unique regional circumstances.



### WES Ecosystem Fund regional funding formula

- Did not account for the higher levels of support required for women-owned businesses in the North and Northern Ontario, which have higher costs of goods and transportation, as well as challenges for remote areas.

### Clients served per \$10k of WES Ecosystem Fund funding



## Design and delivery of the Ecosystem Fund

### Strengths



- Flexibility to support the unique needs of women entrepreneurs.
- Strong application review process.
- Ability to adapt to COVID-19.
- New access to services for women entrepreneurs where none had previously existed.

### Challenges



- Applicant challenges with application process.
- Funding recipient challenges with the reporting requirements.
- Challenges identifying the Information Technology needs of WES ecosystem activity participants

### Threats



#### Funding shortfalls may decrease capacity within regions to support women’s entrepreneurship:

- Many WES Ecosystem Fund recipients have stopped their WES-funded services, due to lack of funding.
- Expecting organizations to provide or maintain the same level of services after funding ends is not realistic.

### Opportunities



**Encouraging collaboration and knowledge sharing between WES Ecosystem Fund organizations and among regions** would have offered women entrepreneurs access to a wider range of supports, further reduced duplication, and utilized resources more efficiently.

### Communication

- Between ISED and the RDAs:
  - Lack of RDA involvement in development of WES with ISED, leading to accountability grey areas and design issues (target groups, eligibility criteria).
- Between RDAs:
  - Creation of committees for the RDAs to collaborate was a strength; however, this was not done early enough to develop a consistent approach to processes and policies.



### Competitive call

- A competitive call for WE Fund applications with relatively broad eligibility, coupled with a compressed timeline, negatively impacted the quality of applications and the RDA's ability to adhere to service standards.



### Central Portal

- The new central portal led to a better client experience for applicants.
- Business processes on the back end posed some challenges for the RDAs, which caused delays and inefficiencies in the transfer and processing of applications by the RDAs.



## LESSONS LEARNED

- Lesson 1:** Common targets for the outcomes were not available for the analysis. These would have been useful to help the program determine the effectiveness of shared outcomes, and to better identify any challenges and successes.
- Lesson 2:** The goals of the WE fund were to support women entrepreneurs to “start, maintain and grow their businesses”, despite this, disbursements from the **WE Fund did not go to new businesses for start-up**. In 2018, ISED lacked capacity to deliver the WE fund and partnered with the RDAs, who had a much greater experience in financing businesses. The RDAs targeted the funding towards the growth of existing businesses having operated for a minimum of two years based on existing financials. This provided some level of accountability and demonstration that there was an actual business in place. It avoided funding individuals with a concept, but whose ability to bring it to market was untested. Although the WE Fund did not fund starting businesses, the WES Ecosystem Fund projects helped some women in launching businesses as well as growing existing businesses.
- Lesson 3:** The level of support and funding available to WES Ecosystem Fund recipients and women-owned small businesses in the North and Northern Ontario was not equivalent to other regions, given the higher cost of goods and transportation, and other access difficulties in remote areas.
- Lesson 4:** ISED and RDAs could have considered having application and reporting requirements in a common system compatible with each other. This could have led to efficiencies and potentially better data.
- Lesson 5:** The evaluation found that all relevant partners should have been involved from the early stages to ensure consistent yet adaptable program design and delivery. This would have included reaching an agreement on what constitutes national coordination and regional tailoring and ensuring that ISED and the RDAs had a common understanding of the program's objectives and parameters.
- Lesson 6:** Stakeholders suggested a need for more flexibility in the application process, longer submission timeframes, streamlined application requirements, and providing outreach sessions for new initiatives.
- Lesson 7:** Encouraging collaboration and knowledge sharing between WES Ecosystem Fund organizations and among regions would have offered women entrepreneurs access to a wider range of supports, further reduced duplication, and utilized resources more efficiently.