

WOMEN ENTREPRENEURS ON THE FOREFRONT OF CONTINUAL GROWTH: LEVERAGING CAPITAL NETWORKS FOR SUSTAINABLE BUSINESSES¹

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ABSTRACT

The process through which women-led entrepreneurial firms plan and achieve continual growth often reflects a complex set of motivators and intentions that support this strategic path. Contemporary research has shown that women entrepreneurs recognize the precursors of growth and the importance of activities such as information seeking and planning to their strategic leadership roles. This study seeks to determine the influence of a diverse set of factors (beyond industry) that facilitate growth intentions within women-owned businesses. That is, are there influences that seem to make more of a difference, such as capital resources (economic and social), networking, and training needs in encouraging growth and expansion? In our study, we examine multiple factors including the: assembling of capital resources, use of social capital (e.g., reliance on formal and informal network for business assistance), and future training needs that influence the continual growth intentions.

This study, commissioned by a women's business center located in the Northeast section of the United States, examined 421 women-owned businesses over a three-month period. Results revealed that women entrepreneurs with high growth intentions tended to use more formal social networks and used their membership in a women's business organization to network and support their growth needs. For financing, although bank loans were more readily available to firms with higher growth intentions, private and venture capital investment still is not available. Finally, in seizing opportunities in the marketplace, the firms with higher growth intentions launched their businesses faster (in less than 6 months time) and reported they needed training in very specific areas: strategic planning and production/operations. Taken altogether, the women entrepreneurs with higher growth intentions relied on, utilized, and needed a diverse set of factors to assist them in reaching their growth objectives.

This research represents one of the few large-scale studies of established women-owned enterprises focused on continual growth and expansion. Our study offers support for the process by which formal and informal capital resources within women-owned firms can serve as critical antecedents of potential market growth and expansion. This research takes an important initial step in understanding the process of how women entrepreneurs leverage and build upon their own resources both internally and externally that may be used in the future to identify market opportunities, confront industry and environmental changes, and seek new innovations for their businesses.

INTRODUCTION

The Role of Women Entrepreneurs in the Global Economy

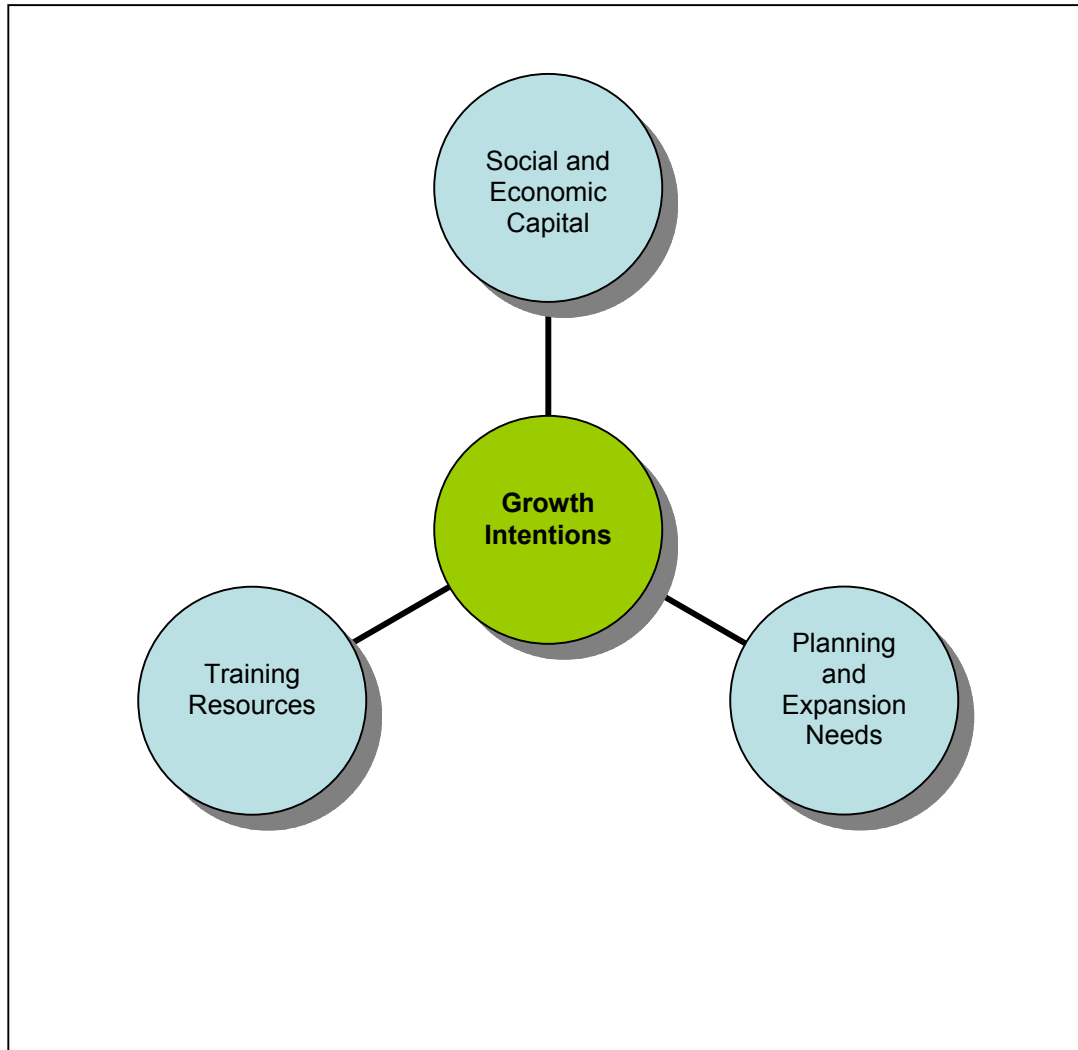
The emergence and growth of women-owned businesses have contributed to the global economy and to their surrounding communities. The presence of women around the world driving small and entrepreneurial organizations has had a tremendous impact on employment and on business environments worldwide. Women-owned firms comprise between one-quarter and one-third of all the businesses in the formal economy, and are expected to play an even larger role in informal sectors (NFWBO, 1999)

According to recent research and reports (NFWBO, 1998; OECD, 1998; United Nations, 1994; United Nations, 1995), in advanced market economies, women own 25% of all businesses and the number of women-owned businesses in Africa, Asia, Eastern Europe and Latin America are increasing rapidly. In Japan, women have established 23% of private enterprises. In Russia, women own 64% of firms employing 10 people or more. In China, women have founded 25% of the businesses since 1978. In Germany, one out of every three new businesses is founded by a woman, and these firms have created over one million new jobs. In Hungary, 40% of all new businesses since 1990 have been started by women. Similarly, in Poland, 38% of all firms are owned by women. In Mexico, 32% of women-owned businesses were formed between 1995-2000. In France, women head one out of every four firms. In Swaziland, women own 70% of micro, small and medium-sized enterprises. In Great Britain, women constitute $\frac{1}{4}$ of all self-employed individuals (Estes, 1999; Jalbert, 1999; Jalbert, 2000). In the United States, there are 3.9 million privately held women-owned businesses, employing 9 million people, and generating \$1.17 trillion in sales (Center for Women's Business Research, 2003).

Investigators have examined the economic and social impact of women's business ownership, as well as the barriers or constraints that women might have in establishing and growing their enterprises, which can encompass such things as women entrepreneurs' access to credit and financing, technology, markets, and information (Finnegan, 2000). The number of research studies has grown tremendously since the 1980s, when scholars and policymakers first cast their attention toward women entrepreneurs (Gundry, Ben-Yoseph, & Posig, 2002; Starr, & Yudkin, 1996).

While contemporary research has shown that women entrepreneurs recognize the precursors of growth and the importance of activities such as information seeking and planning to their strategic leadership role, our study seeks to extend previous research by investigating the influence of a diverse set of factors, beyond industry type, that support the needs and growth intentions of women business owners. That is, are there influences that seem to make more of a difference, such as capital resources (economic and social), networking, and organizational assessment strategies in encouraging growth and expansion? In our study, we examine multiple factors including the: assembling of capital resources, use of social capital (e.g., reliance on formal and informal network for business assistance), and future training needs that may be needed for many of the women entrepreneurs in meeting their growth objectives for their businesses (see Figure 1).

Figure 1
Diversity of Factors Examined Within Women Entrepreneurial Firms on Growth Intentions



Social Capital: The Role of Networks and Information in Women-Owned Firms

Social capital may facilitate value creation by entrepreneurial firms (Nahapiet & Ghoshal, 1997) that arises from the combination and exchange of resources (Moran & Ghoshal, 1996). Three dimensions of social capital have been identified: structural, relational, and cognitive (Nahapiet & Ghoshal, 1997). The structural dimension of social capital includes social interaction (Granovetter, 1992; Lindenberg, 1996; and Hakansson & Snehota, 1995). The location of an entrepreneur in a social structure of interactions provides certain advantages for her. According to this perspective, entrepreneurs can use their personal contacts to obtain information or to access specific resources. The relational dimension of social capital, in contrast, refers to assets that are rooted in these relationships, such as trust and trustworthiness. Trust can act as a governance mechanism for embedded relationships (Uzzi, 1996). A recent study found that investing in the creation of social capital inside a firm eventually creates value. Informal social relations and tacit social arrangements encourage

productive resource exchange and combination and thereby promote product innovations (Tsai & Ghoshal, 1998).

In a study of the effects of different types of social capital, technology-based entrepreneurs benefited more from relational embeddedness - the freer and greater exchange of non-redundant information. Non-technology-based entrepreneurs benefited more from structural embeddedness - the extensiveness of social networks. The researchers concluded that each dimension of social capital reinforces the creation of the other dimensions in technology-based new ventures, which in turn, contributes to entrepreneurial growth aspiration (Liao & Welsch, 2003).

Researchers have pointed out that one of the most critical needs for women entrepreneurs lies in a non-technical area: the development of networks and mentors (Davis & Long, 1999). However, earlier research suggested that no significant differences existed between the success of women who used network contacts to help develop their businesses and those who did not (Carsrud, Gaglio, & Olm, 1987).

A recent study examined the network activities of entrepreneurs through three phases of establishing a firm in four countries (Greve & Salaff, 2003). It was found that entrepreneurs build and use different networks for each phase of entrepreneurship. For example, entrepreneurs tended to talk with more people during the planning than other phases. This study also found that family members were part of these networks across all phases, especially for entrepreneurs who inherited existing businesses. However, women used their family members to a larger extent than men, and even more than men when inheriting a business. Experienced entrepreneurs have the same networking patterns as novices (Greve & Salaff, 2003).

The present study seeks to uncover how women entrepreneurs leverage their own network of formal and informal contracts to position their organizations for continual growth. This study examines the type of networks women entrepreneurs seek and utilize, including: a formal network (e.g., accountants, lawyers, bankers), an informal network (e.g., reliance on family and friends, other entrepreneurs), state agency resources and centers, as well as their willingness to rely on a women's business organization for additional knowledge, expertise, and information as they develop and grow their organizations.

Economic Capital: Access to Financing at Start-up and Growth

Access to capital has been a major challenge for women entrepreneurs during the last decade (NFWBO, 1999). This occurs despite the high level of start-up preparation and education of women entrepreneurs (Wanogho, 1997). In a recent study, Finnegan (2000) found that some entrepreneurs reported they had to try harder to obtain a loan or credit. Others believed that banks need to become more sensitive to the situation of new entrepreneurs, and especially women entrepreneurs, in micro and small enterprises. Other entrepreneurs in the study borrowed from family, reinvested profits, and did not draw a salary (Finnegan, 2000). Historically, the dominant source of funding has been personal savings, credit cards, home equity loans and family loans (Coleman & Carsky, 1996).

In a study of over 800 women entrepreneurs, Gundry and Welsch (2001) found that high-growth oriented firms tended to access a greater variety of sources of funding, although there

were no significant differences in the acquisition of bank loans or private investor (angel) financing. This was corroborated in a newly released NFWBO study of 1,194 women and men entrepreneurs. The study disclosed that women and men owners of fast-growing firms (defined as achieving revenue or employee growth of 30% or more over the past three years) are similar in that they have a larger appetite for capital than those who own slower-growth firms (NFWBO, 2001).

The consequences of this difficulty in accessing capital include lowered perceptions of the woman entrepreneur's credibility in business, a finding that was significant among women business owners in Eastern Europe (Ben- Yoseph & Gundry, 1994), and a difference in the viability of their businesses (Boden & Nucci, 2000). Researchers have proposed that women may have greater availability of other sources of funds, which allows them to borrow less from institutional lenders (Carter, Williams & Reynolds, 1997). Another answer may lie in the type of organizational structure selected and implemented by business owners. For example, Haynes and Helms (2000) found that bank loans tended to be more important for those owners choosing a corporate form of organizational structure. The National Foundation for Women Business owners (now called the Center for Women's Business Research) reported in 2001 that women owners of fast-growing businesses are significantly more likely to use personal credit cards to meet their capital needs than are men owners of fast-growing firms (32% compared to 21%). Also, significantly fewer women entrepreneurs of fast-growing firms had a commercial bank loan compared to men business owners (39% compared to 52%). However, the proportion of women-owned firms with bank credit increased from 46% to 52% (Bank Marketing, 1999).

An NFWBO study conducted in 1998 revealed that the single area in which women of color differed significantly from Caucasian women was access to capital. Women entrepreneurs of color were less likely to have bank credit (50% compared to 60% of Caucasian women). African-American women entrepreneurs were the least likely to borrow capital to launch their firms compared to other ethnicities (29%), compared to 37% for Asians, 45% for Native Americans, 49% for Caucasians and 51% for Hispanic women business owners. Further, African-American and Native American women business owners were more likely to have been rejected when applying for loans while starting their businesses.

In a study of 562 male and 403 female entrepreneurs in France, it was concluded that more informal sources of financing need to be used and developed. Regarding access to financing, the only overt discrimination found against women was a higher demand for collateral requirements. Most of the discrimination was the result of problems with interpersonal communication between the persons in the finance field and the women entrepreneurs (Orhan, 2001).

Since the mid-1990's, interest has turned to the venture capital arena, and a number of venture capital groups have been formed to meet the needs of women entrepreneurs. Estimates of the percentage of venture capital that goes to women-owned firms varies. VentureOne, a San Francisco research firm, estimates that women received only 12.7% of the record \$17.8 billion in venture funds disbursed in the first quarter of 2000. That is an increase from the 1.7% received in 1995, but it is still a very small share. This prompted Kay Koplowitz, Chairwoman of the National Women's Business Council, to create Springboard, a venture capital forum focusing on women entrepreneurs (Gutner, 2000).

The formation of these organizations in response to the small share of venture capital that women entrepreneurs receive should contribute to increased equity financing opportunities for women entrepreneurs. However, there may be reasons that explain in part why some women do not seek venture capital. Most venture capital firms look for high-growth, high-profit businesses. This narrows the pool of candidates among all entrepreneurs, not just women. Further, to liquidate their investment, the firm may be acquired or go public, which may not be a strategy that some entrepreneurs desire.

In the present study, interest was on determining the type and variety of capital resources that are utilized by women entrepreneurs in the growth of their businesses. For example, women-owned firms with higher growth intentions tend to rely more on debt or equity resources during the start of their business. Across multiple industries, we examine a number of methods, including personal savings, family and friends, loans from banks, personal credit cards, private investors or use of venture capital in determining the capital resources strategies used by women entrepreneurs with low and high growth intentions for their businesses.

Preparation and Education for Entrepreneurship: Women Entrepreneurs' Need for Training

In a study of leading women entrepreneurs (Moore, 2000), many of the entrepreneurs profiled reported that they developed their skills, experience, and contacts while they worked for employers. Therefore, there is a growing subgroup of women business owners who are highly educated and have specific work experience related to business start-ups, and training programs need to address issues that are more sophisticated than feasibility planning and financing, and should include topics such as small business taxation and regulatory environments (Alvarez & Meyer, 1998).

In a study of the information needs of 311 women entrepreneurs (Gundry, 1997), those who were just starting their ventures requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion. The entrepreneurs who were already established had a somewhat different set of needs, including identifying financing for expansion and increasing sales. The impact of relevant business skills on the viability and success of a venture was demonstrated in a study of Israeli women entrepreneurs (Lerner, Brush, & Hisrich, 1997). The skills most closely associated with high sales revenues were obtaining financing, budgeting, and planning ahead.

Another study identified the ten most important areas for further learning needed by fast growth entrepreneurs (Sexton, et al, 1997). These were: using cash flow to make operational decisions; financing growth; increasing the value of the business; compensation for self and associates; hiring, training, and motivating for growth; succeeding in a rapidly changing world; successful selling; sales force management; management success; and problems and pitfalls of growth.

Training for entrepreneurs is provided in many contexts and formats. A recent study described a Microenterprise Training Institute (MTI), established in 1992 by a State Economic Development Agency (SEDA) in New Jersey, to train entrepreneurs in the successful running

of their businesses. In Spring 1999, the MTI curriculum went from a six-session discussion of general business concepts (old curriculum) to a seven-session curriculum focused on writing a business plan (new curriculum), and graduates had access to lenders (Cook, Belliveau, and VonSeggern, 2001).

Differences in information and assistance needs can be found across cultures as well. In an investigation of entrepreneurs in the United Kingdom (Carter & Anderson, 2001), women were concerned with getting more education in business, management and technology issues. In a study of 144 women participants in business start-up workshops in Russia, unemployed women were very motivated to start businesses if they received training in entrepreneurship (Izyumov & Razumnova, 2000). According to the researchers, the typical trainee in an entrepreneurship program is a 40-year-old woman who holds an engineering degree, and is a former employee in the state sector of the economy. Aspiring Russian women entrepreneurs were most interested in learning the fundamentals of entrepreneurship, business law, accounting and financial analysis (Izyumov & Razumnova, 2000). Alternative training models are in development in other parts of the world as well, including China where a train-the-trainer program developed by the United National Industrial Development Organization in collaboration with the All China Women's Federation was recently launched (Kao & Chiang, 2001). The International Labour Organization provides training and assistance centers in many countries around the world (Finnegan, 2000).

In the present study, we further seek to understand the future training needs of women entrepreneurs with low and high growth intentions. We investigate their training needs in terms of technology, financial management and planning, organizational management, production and operations, sales, and strategic planning. The fulfillment of many of these training needs may make a significant contribution to the overall economic health and sustainability of the business.

METHODOLOGY

This study commissioned by a women's business center and conducted by a university survey center, examined 421 women-owned businesses over a three-month period in 2002. The issues examined in this survey included preparation and start-up, access to capital, use of capital, training, and management assistance and the strategies employed by these women entrepreneurs in the launch and growth of their businesses.

The sample used in the survey was a stratified random sample drawn from a list of New Hampshire (USA) women business owners provided by Marketing Systems Group of Fort Washington, Pennsylvania (USA). A total of 320 women owners or principals of New Hampshire businesses were interviewed. Potential respondents were randomized and stratified based on 2001 revenues. Larger businesses were modestly over-represented in order to draw statistically valid conclusions on a relatively small population.

Initial interviews were conducted during May-July 2002. Each selected business owner was called by a professional University Survey Center interviewer from the centrally supervised facility. Attempts were made to contact 993 New Hampshire women business owners. Forty-

two percent of the interviews were completed, 28% of the respondents were unavailable, 19% of the respondents did not meet the study criteria, and 11% refused to participate.

Measures

Growth Intentions

To discern between high and low growth intentions of the women entrepreneurs in our sample, we used three measures to determine growth intentions: the amount of start-up funding they needed to grow their business to where it is currently, the amount of additional funding they will need in the next five years to grow, and their level of sales revenue. As shown in Table 1, firms that had greater than \$500,000 in sales revenue had significantly higher amounts of start-up funding ($t=3.13, p<.05$) and needed a significantly higher amount of additional funding to grow their business in the next 5 years ($t=5.78, p<.05$). This is consistent with previous research (e.g., Hambrick and Crozier, 1985) in which high levels of financial resources are needed for rapid growth in entrepreneurial firms.

Table 1 Differences Across Firms on Low and High Growth Intentions

	Low Growth Intentions	High Growth Intentions
Annual Sales Revenues	Revenues < \$500,000	Revenues > \$500,000
Start-Up Funding	\$29,625.71	\$71,917.91
Future Funding Needs Over 5 Years	\$33,015.58	\$147,837.84

Social Capital Network

Social capital was operationalized in three ways: formal capital (reliance on accountants, lawyers, bankers for assistance with the business), informal capital (reliance on family, friends, and other entrepreneurs for advice) and state, agency network (reliance on state and federal programs). We also asked participants if they used a women’s business organization for assistance in organizing and growing the business.

Economic Capital

Women entrepreneurs were asked about the different types of financing they used to start the business. This included personal savings, bank loan, family/friends, personal credit card, and private/corporate investor or venture capital.

Training Resource Needs

For training resource needs, women entrepreneurs were asked in what areas or topics would training or assistance be most beneficial for their company, including access to capital, finances, computers and internet technology, financial management, management (day to day running of the business, human resources), marketing (PR, advertising), strategic planning, organization skills, production, and sales.

Planning and Expansion

Finally, women entrepreneurs were asked the type of planning before business launch (business plan, marketing plan, financial plan, etc.) as well as their plans on expansion in the future.

DATA ANALYSIS

Discriminant Function Analysis. A discriminant analysis was employed to analyze which of the key areas involving financing, social capital, and training needs predict type of firm and growth intentions. According to Tabachnick and Fidell (1989), the primary objectives of a discriminant analysis are to find the dimension or dimensions along which groups differ and to find classification functions to predict group membership. For our study, the designated groups were high and low growth intentions women-led firms. Both the high and low growth intentions firms were categorized and coded into one of the two groups. The predictors were demographics of the women entrepreneur (education, age, work experience), characteristics of the firm and industry (number of full-time and part-time employees, age of business, timing of launch, funding needed over the past 5 years, industry), financing used (business loan, private or corporate investor/venture capitalist, personal credit card, family/friends, own savings), training needs (information on access to capital, computers, financial management, management, strategic planning, organizational, production, sales), social capital (formal, state/agency, and informal), and business outcomes (expansion plans as well as overall satisfaction).

RESULTS

Demographic Statistics

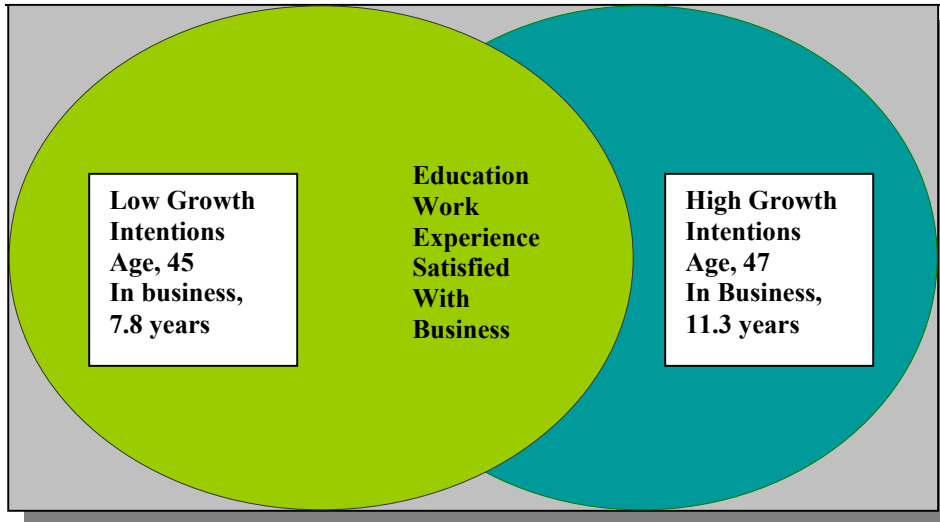
The demographic composition of these groups of women entrepreneurs is somewhat similar. Both groups are in their mid forties, with similar educational backgrounds (high school graduates) and seven years of work experience prior to starting their business (See Table 2 and Figure 2.) Both groups are equally satisfied with their businesses. The groups differ on the age of the business with the low growth intentions group in business for approximately eight years and the higher growth intentions group, eleven years. It is interesting to note that there is approximately three years difference between the age of the business and the age of the entrepreneur pointing toward definite stages of business growth.

Table 2 Means and Canonical Correlation of Demographic Factor

Variable	Low Growth Intentions	High Growth Intentions	Canonical Correlation
Age of Business	7.8133	11.3143	.108
Age of Entrepreneur	44.5867	47.1429	.344
Education	2.5200	2.5714	.075

Satisfaction	1.3733	1.4286	.280
Work Experience	7.0400	7.0800	.181

Figure 2 Conceptual Model for Demographic Factor (Overlapping Similarities and Differences)



Social Capital

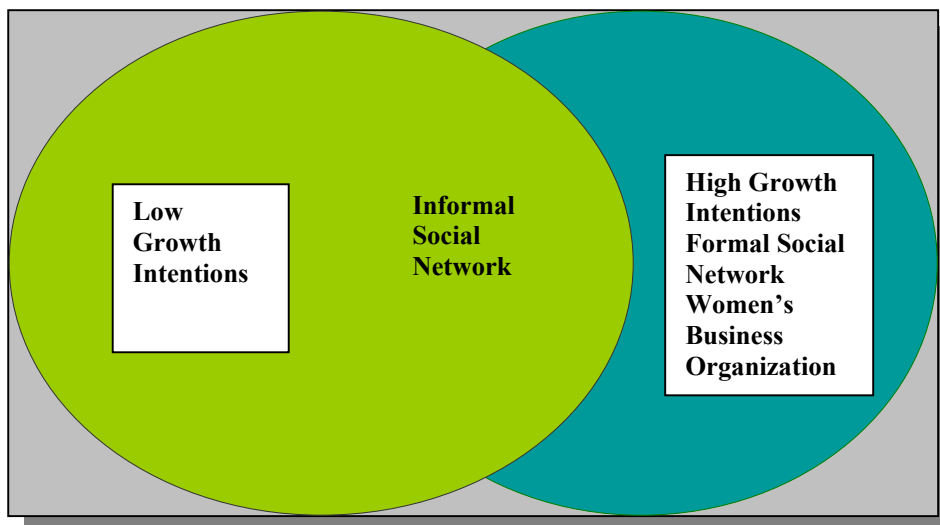
Researchers have posited that social capital may facilitate value creation by entrepreneurial firms (Nahapiet & Ghoshal, 1997). The structural dimension of social capital suggests that entrepreneurs can use their personal contacts to obtain information or to access specific resources. Researchers have pointed out that one of the most critical needs for women entrepreneurs lies in the development of networks and mentors (Davis & Long, 1999). Table 3 and Figure 3 show which types of networking were practiced by each group.

In this study, formal and informal networking and membership in business organizations was used by both groups. Higher growth intentions businesses tended to use more formal social networks and membership in a women's business organization to network. Lower growth intentions firms used the informal network more often. Neither group used the state or agency network. Since many state and agency based programs are geared toward the start-up of the business it is not surprising that neither group uses this network on an ongoing basis.

Table 3 Means and Canonical Correlation of Social Capital Factor (Overlapping Similarities and Differences)

Variable	Low Growth Intentions	High Growth Intentions	Canonical Correlation
Formal Social Network	1.3156	1.1714	-.104
Informal Social Network	1.3800	1.3000	-.246
State, Agency Network	1.533	1.6286	.054
Women's Business Organization	.3067	.0857	-.033

Figure 3 Conceptual Model of Social Capital Factor (Overlapping Similarities and Differences)



Economic Capital

While procurement of capital continues to challenge the growth of women-owned businesses, progress continues to be made in this area. Traditional sources of capital for women entrepreneurs, including the use of personal credit cards (Coleman & Carsky, 1996) were used by many firms in this study. Table 4 and Figure 4 show which factors were important to high and lower growth intentions women-owned firms.

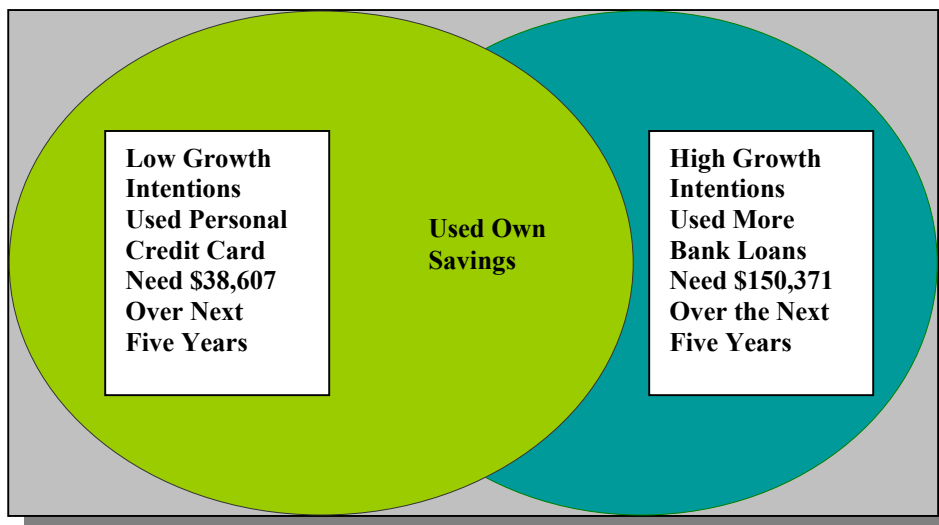
Women who had higher growth intentions were more likely to use bank loans and have a much larger appetite for capital to grow their business. As mentioned earlier, the higher growth intentions firms thought they needed about \$148,000 infused into the business to grow

over the next five years while the lower growth intentions firms set their sites considerably lower at approximately \$33,000. Lower growth intentions firms were much more likely to use personal credit cards to finance their business. Higher growth firms realized that personal credit cards were limiting and went after more bank loans. Both groups used their own savings to finance business growth. This study corroborates prior research that found that higher growth oriented firms tend to use a greater variety of sources of funding and have a greater appetite for capital (Gundry & Welsch, 2001; NFWBO, 2001), but also finely distinguishes among the sources of capital for higher and lower growth intentions firms.

Table 4 Means and Canonical Correlation of Economic Capital Factor

Variable	Low Growth Intentions	High Growth Intentions	Canonical Correlation
Business Loan From Bank	1.6667	1.4571	-.026
Family or Friends	1.6800	1.6857	-.112
Own Savings	1.2933	1.4286	-.092
Personal Credit Card	1.4800	1.6857	.279
Private/Corp. Investor or Venture Capital	1.9467	1.9429	.168

Figure 4 Conceptual Model for Economic Capital Factor (Overlapping Similarities and Differences)



It is interesting to note that neither group relied on family or friends, nor private or corporate investors for capital to build their businesses. It appears that while bank loans appear to be more readily available to higher growth oriented businesses, private and venture capital

investment still is not available, even though these women in the higher growth group have well established, thriving businesses. Research needs to continue on how to bring more opportunities in venture capital, bank credit and debt financing to women entrepreneurs. Establishing programs that bring bankers, private investors and women entrepreneurs together at key times in the early phases of growth would be beneficial.

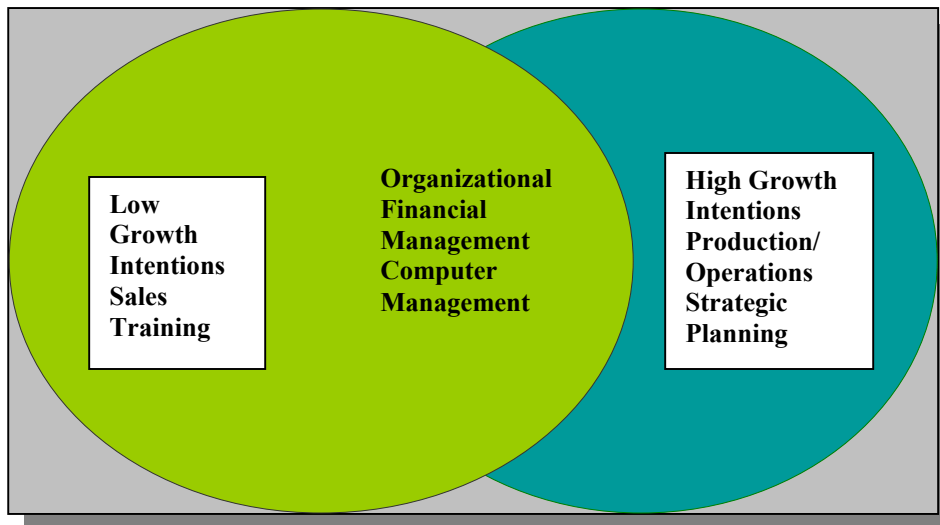
Training Factor

Women entrepreneurs in faster growth firms reported they needed training in very specific areas: strategic planning and production/operations (See Table 5 and Figure 5). While the results show that both groups would like more training in business concepts in general, it is obvious that as the business becomes larger and as the appetite for growth becomes greater a new set of managerial skills is needed. The results show that women in higher growth intentions firms have figured out the basics of running the business, like making sales, and are looking for more information and tools that will take their business to the next level. Lower growth oriented firms are still trying to figure out the basics of how to make sales, so strategic planning and operations/production training is desired less or not at all. Sexton (1997) also recommended that training for fast growing firms should have a distinctive strategic and managerial focus.

Table 5 Means and Canonical Correlation of Training Factor

Variable	Low Growth Intentions	High Growth Intentions	Canonical Correlation
Computers	.0167	.0571	.002
Financial Management	.2000	.1143	-.039
Management	.1467	.1714	.149
Organizational	.0533	.0571	.115
Production/Operations	.0000	.0857	.477
Sales	.0133	.0000	-.276
Strategic Planning	.2667	.0286	-.289

Figure 5 Conceptual Model of Training Factor (Overlapping Similarities and Differences)



The findings from this study suggest that there is the possibility of defining some very specific skill sets needed at each stage of the business. If entrepreneurs do not get the correct training at the opportune time and stage of their businesses, they will not grow as fast as intended as those that get the proper training. Further research could probably define a very specific set of managerial skill sets for each business stage along the entrepreneurial life-cycle.

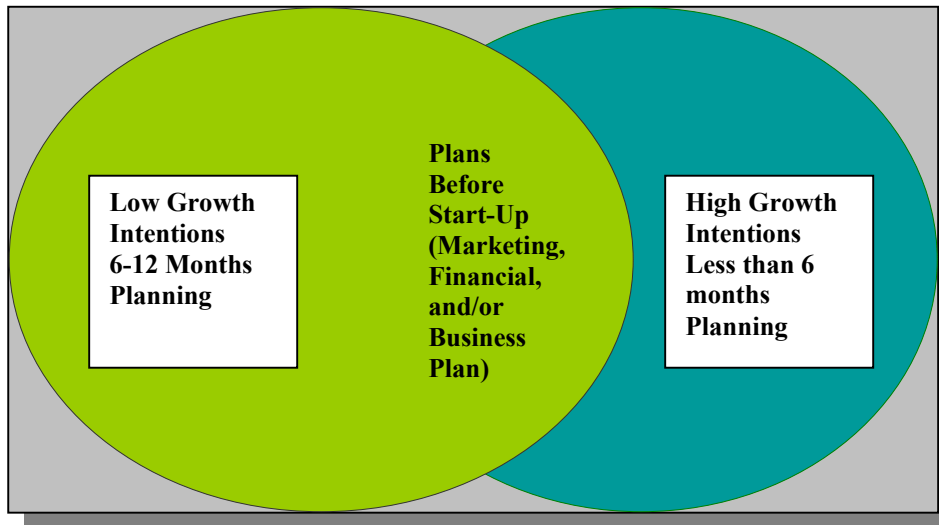
Planning and Expansion Factor

While it is interesting to note that both higher growth and lower growth intentions firms conducted some type of planning before business launch (business plan, marketing plan, financial plan) and plan on expansion in the future, they differed slightly in their time of launch (see Table 6 and Figure 6). The higher growth oriented firms were launched faster – in less than 6 months time. Seizing a hot market opportunity appears to have positioned them for faster growth. The slower growth oriented firms took a bit longer to launch - 6 months to one year.

Table 6 Means and Canonical Correlation of Planning and Expansion Factor

Variable	Low Growth Intentions	High Growth Intentions	Canonical Correlation
Expansion	.6800	.4857	-.189
Planning	.6667	.5714	.019
Time of Launch	1.4267	1.200	-.471

Figure 6 Conceptual Model for Planning and Expansion Factor (Overlapping Similarities and Differences)



Discussion and Implications for Further Research

This research represents one of the few large-scale studies of established women-owned enterprises focused on continual growth and expansion. Previous research has yet to incorporate a variety of diverse factors that influence the growth and sustainability of women's entrepreneurial firms. This study lends support to the idea that a certain mix of resources in economic capital (financing), social capital (networking) and training is needed across high and low growth oriented women-owned firms. The sections that follow discuss each of these resources and needs in the context of our findings, its policy implications, and directions for future research.

Social Capital

Researchers have posited that social capital may facilitate value creation by entrepreneurial firms (Nahapiet & Ghoshal, 1997). The structural dimension of social capital suggests that entrepreneurs can use their personal contacts to obtain information or to access specific resources. Researchers have pointed out that one of the most critical needs for women entrepreneurs lies in the development of networks and mentors (Davis & Long, 1999).

In the present study, women entrepreneurs in high-growth oriented firms reported reliance on formal social networks and on a women's business organization, the structural dimension of social capital. Given these findings, there are some policy implications in the area of social capital and its role in increasing the performance and viability of women's entrepreneurship. A project entitled Promotion of Women Entrepreneurs (ProWomEn) was recently launched by the European Commission, in which representatives of twenty regions in EU member and associated countries come together to discuss and share policies and actions that promote the creation of businesses by women. It is this type of project that may further cultivate both the formal and informal social networks of women entrepreneurs. For example, objectives for

this project include enhancing the awareness of decision makers about the importance of promoting women entrepreneurs; identifying case studies and best practices for supporting women entrepreneurs; setting up regional networks and pilot projects; and changing education and training systems to build a culture of women's entrepreneurship (Clothier, 2001).

Economic Capital

While procurement of capital continues to challenge the growth of women-owned businesses, progress continues to be made in this area. Traditional sources of capital for women entrepreneurs, including the use of personal credit cards (Coleman & Carsky, 1996) were used by the high-growth firms in this study. However, our results showed that high-growth oriented firms were more likely to have received a business loan from a bank than the lower growth oriented firms, and had higher start-up capital needs. The present study not only corroborates prior research that high-growth firms tend to use a greater variety of sources of funding and have a greater appetite for capital (Gundry & Welsch, 2001; NFWBO, 2001), but it also more finely distinguishes among the sources of capital used by women entrepreneurs of high growth oriented firms. This can be seen in the finding that these high growth firms did in fact receive bank loans, a source of funding that has been historically underrepresented among women-owned businesses in general.

Future research should focus on the continuing search for venture capital and other sources of equity financing, in addition to the increase in bank credit and debt financing. Comparison studies of women entrepreneurs who used SBA programs and those that did not would be helpful (Walker & Joyner, 1999). Of particular interest are the financing patterns across stages of the business from start-up through growth and maturation.

Training

Women entrepreneurs in high-growth intentions firms reported that they needed training in specific areas: strategic planning and operations/production planning. The results showed that entrepreneurs of high growth intentions firms have a specialized set of assistance needs, compared to entrepreneurs in lower growth oriented firms. Alvarez and Meyer (1998) have suggested that there is a growing subgroup of women entrepreneurs who are highly educated, and, in the case of the present study, whose firms are older and more established, who require training programs that address issues that are more sophisticated than feasibility planning and financing. Sexton (1997) also recommended that training for fast-growing firms have a distinctive strategic and managerial focus.

This has particular relevance for public policy and the development of entrepreneurial training programs. Most such programs are directed to the start-up (if not the low growth oriented) entrepreneur, and the results of our study, building on past work in this area, demonstrate the need for the creation of entrepreneurial training programs with a more strategic, growth-oriented focus for the established business that seeks to improve and even reinvent its core competencies.

CONCLUSION

This research represents one of the few large-scale studies of established women-owned enterprises focused on continual growth and expansion. Previous research has yet to incorporate a variety of diverse factors that contribute to the ability of women entrepreneurs to fulfill their growth strategies and sustain their businesses. This study offers support for the process by which formal and informal capital resources and organizational strategic planning within women-owned firms can serve as critical antecedents of market growth intentions, and demonstrates how the direction of these resources and strategies can serve as motivating forces in determining market expansion. Overall, this study takes an important initial step in understanding the process of how women entrepreneurs leverage and build upon their own resources both internally and externally that may be used in the future to identify market opportunities, confront industry and environmental changes, and seek new innovations for their businesses.

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