

Women's Economic Empowerment Through Entrepreneurship in Hong Kong

By Louisa Mitchell for The Women's Foundation | February 2014



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FOREWORD FROM THE WOMEN'S FOUNDATION

At The Women's Foundation, we are committed to empowering women with the skills and resources they need to create better lives for themselves and their families. In keeping with the findings of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the World Bank, and other international organisations, we have identified building and strengthening the pool of women entrepreneurs in Hong Kong as an important means of economic self-reliance for women with positive implications for the overall economy.

Despite the relatively favourable environment for entrepreneurs in Hong Kong, there is a heavy gender skew with 81% of high growth entrepreneurs are men. To date, there has not been any in-depth research that explores the reasons as to why women are not more actively engaged in entrepreneurial pursuits and why the women-owned businesses that exist find it hard to scale up. In 2012, The Women's Foundation launched a comprehensive qualitative study on women and entrepreneurship in Hong Kong to fill this gap.

Since our inception in 2004, The Women's Foundation has been a leading voice in filling the gap in objective and incisive gender research in Hong Kong. In 2006, The Women's Foundation published our ground-breaking study on *The Status of Women and Girls in Hong Kong* to review the status of women in Hong Kong. Building on this study, starting in 2008, we launched an 18-month long stakeholder engagement process comprising focus groups, individual interviews and public symposia to better understand the barriers faced by women and girls. Building on our earlier research in 2006 and 2008, The Women's Foundation launched a new series of quantitative and qualitative research studies in 2010, working in collaboration with The Chinese University's Gender Research Centre, the Hong Kong Council of Social Service and Civic Exchange. These studies which were published in 2012 and 2013 and are available on our website (www.thewomensfoundationhk.org), have informed other organisations' policies and initiatives and have raised public awareness to build a more gender equitable society.

We hope this report on Women & Entrepreneurship will help to spotlight the specific challenges that female entrepreneurs and women-owned businesses face in Hong Kong. We also hope our recommendations will inform and influence regulatory and institutional bodies in their policy-setting, build stronger networks among current women entrepreneurs, and galvanise stakeholders to take steps to create programmes and initiatives that encourage and cultivate larger numbers of successful women entrepreneurs. We are heartened and encouraged by the many references in the recent Policy Address to the importance of re-igniting Hong Kong's entrepreneurial spirit and the additional resources the Government is pledging to promote social entrepreneurship in particular. We hope the Government will also recognise the need to do more for women entrepreneurs based on this report.

This publication is the outcome of our collaboration with social policy consultant, Louisa Mitchell. We are very grateful to her for her excellent work. The Women's Foundation would also like to thank the many people at Goldman Sachs who so generously gave their time, advice and financial support to this project through Goldman Sachs Gives. In addition, we would like to thank all the individuals who provided us with invaluable counsel, encouragement and expertise.

Women in Hong Kong often bear the brunt of wealth inequity but represent untapped potential as drivers of sustainable growth — a growth which is key to Hong Kong's future. Entrepreneurship is a powerful means to unleash that potential and advance gender equality through women's economic empowerment. We hope this study will serve as a catalyst for long-term systemic change by spurring efforts to pursue the changes needed to achieve the full participation of women in Hong Kong society.

Kay McArdle
Board Chair, The Women's Foundation

Su-Mei Thompson
CEO, The Women's Foundation

FOREWORD FROM GOLDMAN SACHS

Goldman Sachs is honoured to support The Women's Foundation and its research on "Women's Economic Empowerment Through Entrepreneurship in Hong Kong."

Research conducted by Goldman Sachs' economists, the World Bank, and others suggests that investing in the education of women and their economic empowerment can have a significant positive impact on GDP growth and per-capita income.

We recognised the powerful role that women have to play in creating growth and we made a significant investment in their economic empowerment by launching the 10,000 Women initiative. 10,000 Women is a campaign to foster greater shared economic growth by providing 10,000 women around the world with a business and management education.

Goldman Sachs has been a supporter of The Women's Foundation since its establishment in 2004. The Foundation's ground-breaking research publications on the gender gap and the status of women in Hong Kong are now seminal reference tools for government, businesses, academia and NGOs. Its programs focused on combatting gender stereotyping, increasing the women in leadership and decision-making roles, and empowering lower-income women to achieve a better quality of life, have been instrumental in helping to raise awareness to these issues in Hong Kong.

The Foundation's latest research on "Women's Economic Empowerment Through Entrepreneurship in Hong Kong" is a significant piece of evidence-based research that will help support the formulation of policy and create an environment that unleashes the full economic potential of women in Hong Kong.

Stephanie Hui
Managing Director, Goldman Sachs

RESEARCH

This project examines the environment for women entrepreneurs in Hong Kong. It aims to identify the enablers for, and obstacles to, women starting up and scaling up their own businesses and to make suggestions for how to break down the barriers women entrepreneurs currently face. A diverse group of twenty-one women entrepreneurs was interviewed and a literature review was undertaken in the first half of 2013. Around ten academics and experts working in the entrepreneurship space were consulted and several others tapped on a more informal basis. This report analyses the policy framework for women's entrepreneurship, the access to finance for starting up and scaling up, the challenges around capacity development, and the social and cultural barriers women business owners experience in Hong Kong today. Case studies of twenty of the women interviewed are interspersed throughout the discussion and analysis in the main report. At the end, some suggestions for change are presented for discussion.

CONTEXT

The research was initiated against the backdrop of a global policy focus on women entrepreneurs. Entrepreneurship is seen as a way of driving economic growth, creating jobs and therefore contributing to social stability.¹ There is significant potential for developing women's entrepreneurship because although women are undertaking salaried work in increasing numbers, their share of entrepreneurial activity around the world remains consistently and markedly lower than men's.² Women's entrepreneurship is therefore very much a global concern³ and is also ripe for policy development. In addition, the emergence of more successful female business owners would add to the economic empowerment of women who are already estimated to control US\$20 trillion of consumer spending around the world.⁴

1 International Finance Corporation (2013), *IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction*, Washington; http://www1.ifc.org/wps/wcm/connect/0fe6e2804e2c0a8f8d3bad7a9dd66321/IFC_FULL+JOB+STUDY+REPORT_JAN2013_FINAL.pdf?MOD=AJPERES (accessed 3 May 2013).

2 Global Entrepreneurship Monitor (2011), *GEM 2010 Women's Report*; <http://www.gemconsortium.org/docs/768/gem-2010-womens-report> (accessed 25 April 2013).

3 OECD (2012), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, OECD Publishing; http://www.keepeek.com/Digital-Asset-Management/oecd/industry-and-services/women-in-business_9789264179073-en (accessed 5 May 2013).

4 Silverstein M. and Sayre K. (2009), *Women Want More: How to Capture Your Share of the World's Largest, Fastest-Growing Market*, Boston Consulting Group.

“Hong Kong’s entrepreneurial activity is...mostly buying and selling as a middlemen or small retail/food and beverage businesses...so we capture very little value in the whole value chain.” — Rachel Chan, Innofoco, a hybrid creative agency and consultancy firm, and Make a Difference (MaD) Venture Forum

Research by the International Finance Corporation shows that firms run by women tend to be smaller than those operated by men in terms of number of employees, asset value and annual turnover, as well as being less profitable.⁵ However, their potential is significant. Recent research conducted in the UK, which surprisingly found that women entrepreneurs in the UK have higher incomes than men entrepreneurs in the UK, concluded that these women have achieved this success because they can fare better in a more directly market-driven environment than in a traditional role as an employee where they have to negotiate for pay and other terms.⁶

Hong Kong, well known for being home to some of the world’s great entrepreneurs and with a government-supported Small and Medium Enterprise (SME) sector which provides 47 per cent of total employment (excluding the civil service), has in recent years fallen down the global rankings in entrepreneurial activity.⁷ In addition, whilst there are targets for women’s participation in economic activity and public life in Hong Kong, there are no such targets for women’s business ownership or entrepreneurship. Hong Kong recently participated in the first APEC Ministerial Meeting on SMEs and Women at which members agreed to a range of targeted policy measures for the development of women-owned SMEs but there is no indication that Government targets are forthcoming in Hong Kong for this area.

The lack of publicly available gender-disaggregated data and analysis makes it difficult to gain a detailed understanding of women’s entrepreneurial activity in Hong Kong. However, census data shows that the ratio of male to female employers is 3.5 to 1.⁸ Analysis of early stage entrepreneurial activity by the Global Entrepreneurship Monitor (GEM) shows that Hong Kong’s male to female ratio is 2.2 compared to 1.3 in China

5 International Finance Corporation (2013), *IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction*, Washington.

6 Barclays Wealth and Investment Management (2013), *Unlocking the Female Economy: The Path to Entrepreneurial Success*, London; https://wealth.barclays.com/content/dam/bwpublic/global/documents/wealth_management/unlocking-female-economy.pdf (accessed 5 May 2013).

7 Global Entrepreneurship Monitor (2009), *Global Entrepreneurship Monitor Hong Kong & Shenzhen 2009*; <http://www.gemconsortium.org/docs/download/713> (accessed 26 April 2013).

8 Census and Statistics Department, HKSAR Government (2013), *Women and Men in Hong Kong, Key Statistics*, HKSAR.

and 1.7 in the US and although on a par with Shenzhen at 2.1 and the UK at 2.3, Hong Kong’s overall entrepreneurial activity is lower than both Shenzhen and the UK.^{9, 10}

At the time of writing, it was possible to deduce from the government incubation scheme websites that there are currently more men than women in these programmes by a ratio of approximately 5:1. The Youth Business Hong Kong scheme has a slightly less skewed ratio but is still at 1.8 men to 1 woman. Programmes for sectors that have traditionally attracted women have better ratios. While the Design Incubation Programme has a male to female ratio of around 2.5:1, the Hong Kong Social Enterprise Challenge run by the Chinese University of Hong Kong (CUHK) in 2013 had a ratio of 1.6:1 male to female entrants and there were actually more female winners than male at 14 women and 6 men, in line with recent research showing that women in Hong Kong apparently care more about social issues than men.¹¹

The gender-disaggregated information for technology and high-growth start-ups paints to a stark gender gap with research in 2007 showing that 81 per cent of high-growth entrepreneurs were men.^{12, 13} In addition, whilst the proportion of women studying engineering and technology in Hong Kong’s universities increased from 14 per cent of the total in 1996/7 to 33 per cent of the total in 2011/12,¹⁴ the proportion of women working in the information and communications sector stagnated over the same period, declining from 33 per cent of the total in 1996 (when it was classified as communications) to 31 per cent.¹⁵ CUHK’s Centre for Entrepreneurship, which has advised around 50 incubatee companies from the Hong Kong Science and Technology Parks Corporation (HKSTPC), confirmed that amongst those 50, only a few had women (co-)founders and of those, only one was wholly owned by a single woman with the others being joint male/female partnerships.

9 Global Entrepreneurship Monitor (2009), *Global Entrepreneurship Monitor Hong Kong & Shenzhen 2009*; <http://www.gemconsortium.org/docs/download/713> (accessed 26 April 2013).

10 Total early stage Entrepreneurial Activity (TEA) is defined by GEM as being the percentage of 18-26 year olds who are either nascent entrepreneurs or owner-managers of a new business (i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 3 months, but not more than 42 months).

11 DeGolyer M. (2013), *The Changing Faces of Hong Kong: Women in the Community and National Context, 1994-2010*, Civic Exchange, Hong Kong; http://www.civic-exchange.org/wp/201302gender_en/ (accessed 25 April 2013).

12 ‘High growth’ was defined in the research report in Note 13 as those companies which responded to the question “How many people will be working for this business, not counting the owners but excluding all exclusive subcontractors, when it is five years old?” with the words “over 20”.

13 Chua B-L et al. (2007), *Innovation Policy and High Growth Startups*, Chinese University of Hong Kong; <http://entrepreneurship.baf.cuhk.edu.hk/sites/default/files/project/hong-kong-entrepreneurship-and-government-policy/innovationpolicyandhighgrowthstartups.pdf> (accessed 4 April 2013).

14 University Grants Committee (2012), *Statistics*; <http://cdf.ugc.edu.hk/cdf/statIndex.do?language=EN> (accessed 22 May 2013).

15 Census and Statistics Department, HKSAR Government (2012), *Women and Men in Hong Kong, Key Statistics*, HKSAR; <http://www.statistics.gov.hk/pub/B11303032012AN12B0100.pdf> (accessed 23 May 2012).

FINDINGS

Entrepreneurship policy in Hong Kong has not been designed with a gender lens. Hong Kong lacks a department or body like the US Office of Women's Business Ownership (see Section 2 in the main report) to co-ordinate and implement gender policy on entrepreneurship. This means that there is no joined-up approach by the government, banks, private sector companies and civil society to provide women entrepreneurs with appropriate resources and financing that address their needs for starting and scaling up businesses. On top of that, many women lack confidence and the self-esteem required to start up on their own. Further down the line, scaling up requires time and stamina but women still bear the brunt of household and family duties which eat into their time and energy although many women find Hong Kong's compact scale and size a positive factor in this regard.

For men and women, the policy, institutional and regulatory environment for starting up a new venture in Hong Kong is favourable. Hong Kong is widely regarded as one of the easiest places in the world to establish a business due to its advanced legal system, stable political environment, favourable tax regime, low start-up costs and light touch regulation. Property rental costs aside, the obstacles to starting up are essentially social and cultural.

First, the education system is largely believed to stifle creativity and is not conducive to encouraging entrepreneurship, although recent changes to the curriculum may alter this in the long run.¹⁶ Second, Hong Kong parents generally prefer the safer career routes of law, finance and medicine for their children.¹⁷ The broad view which emerged from this research was that the majority of Hong Kong people are conservative in their approach and afraid to fail instead of being risk takers who embrace failure as a necessary component of future success. All of the women interviewed for this research referred to time spent studying, working or travelling overseas as instrumental in providing them with a different perspective and motivating them to take the risk of establishing their own businesses.

¹⁶ Global Entrepreneurship Monitor (2009), *Global Entrepreneurship Monitor Hong Kong & Shenzhen 2009*; <http://www.gemconsortium.org/docs/download/713> (accessed 26 April 2013).

¹⁷ Whitehead K. (2013), "Incubator company Nest gives budding entrepreneurs their big chance", in *South China Morning Post*, 17 May 2013.

According to Payal Shah of l'Dezen, a designer, manufacturer and distributor of unique handmade jewellery, "There is no place like Hong Kong to set up a business. I had a brand name, licence done in half a day, business up and running, bank account ready in a week, manufacturing just around the corner, great people to back me up."

For Chau Ming Leung, who runs Art for All which runs art classes for children, travel played an important role. "Travelling overseas opened my eyes, it was life changing."

The roadblocks to scaling up are related to fragmented frameworks for securing capital, attracting and retaining high quality employees (without fail, the number one ongoing challenge identified by all interviewees), accessing adequate support in developing the business, and financial management skills. It was not possible to quantify whether these barriers are more severe for women than men since gender-disaggregated data on financing schemes, recruitment and training related to SME owners is not available.

There are almost no gender-targeted policies and programmes for women business owners in Hong Kong despite the fact that global research shows that gender needs to be taken into consideration in the design, marketing and delivery of business development services for them to be effective in attracting and helping women.¹⁸ Other countries have recognised this need and have established targeted policies and programmes for women. For example, the government of Taiwan recently launched a 2013 Female Innovative Entrepreneurship Project (see Section 2 in the main report) including training programmes, mentoring and ongoing business monitoring.

¹⁸ OECD (2012), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, OECD Publishing; http://www.keepeek.com/Digital-Asset-Management/oecd/industry-and-services/women-in-business_9789264179073-en (accessed 5 May 2013).

“It is not easy motivating and inspiring people every day, most of whom come from a completely different cultural, financial and educational background to me.” — Jennifer Cheung, Owner, dessert company Sift.

Access to capital is a significant challenge across the globe for women entrepreneurs. Hong Kong previously had a Women’s Business Start-Up Assistance Scheme launched by the Hong Kong Women Professionals and Entrepreneurs Association (HKWPEA), which was highlighted by the Women’s Commission as one of the role models of ‘Good Practices on Empowerment of Women in Hong Kong’, but the Scheme appears to have lapsed.¹⁹ Research by the International Finance Corporation shows women entrepreneurs are more risk-averse than men, less likely to take out a bank loan, and if they do, the terms of borrowing they are offered can often be less favourable than for men.²⁰ New analysis provided by one bank in Hong Kong for this research showed that it has far fewer women SME clients than men and they borrow less. In addition, the SME lending schemes tend to cater more for medium than for small enterprises which has gender implications since there are more women running micro-businesses. Banks in Hong Kong would benefit from joining the Global Banking Alliance (see Section 3 in the main report) and developing tailored, holistic financing solutions for women business owners.

The angel and venture capital industry is nascent but developing, although it has been said that in Hong Kong, the industry is ‘all men’.

¹⁹ Cheng E. (2005), *Hong Kong Women Professionals & Entrepreneurs Association President’s Report for 2003-2004*, HKWPEA; <http://www.hkwpea.org/hkwpea/pdf/PresidentReport2012-2013.pdf> (accessed 1 May 2013).

²⁰ International Finance Corporation (2011), *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*, Washington, http://www.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8969adcc27/G20_Women_Report.pdf?MOD=AJPERES (accessed 12 May 2013).

**We need a whole re-education
so that parents do not think being
an entrepreneur is a bad thing**

LAURA COZIJNSEN OF LIGHTHOUSE CONSULTANT, A CAMPAIGN AGENCY

For women owned businesses to get a bigger share of VC funding, it would probably help if there were more women working in VC and private equity firms which have traditionally been heavily male-dominated. Research in the US published in 2004 showed that the few partnerships that had closed deals with women-led companies (which comprised less than 10% of all VC deals at the time) employed 70 per cent of the women working in the industry.²¹ As the sector develops, we are seeing the emergence in the US of women's networks like the Sand Hill Rd Women's Community and investment organisations such as Astia Angel and Golden Seeds (see Section 3 in the main report), which nurture women investors and entrepreneurs. At the same time as the VC industry has tended to exclude women, women entrepreneurs have tended to shy away from external financing, preferring to start up with capital from friends and family if this is available. More mentoring is needed to encourage and support women business owners through the process of applying for VC funding. Once VC investment has been tapped, in general, success is more likely with ongoing monitoring and advice.

“I don't want to have to be worried about what someone else is going to be expecting at the end of the year.” says Joanna Hotung of The KG Group which offers creative education to children. “For me, that's an added stress factor.”

Most of the women who were interviewed commented on the value they placed on mentoring for personal and professional support. There are several entrepreneurs' associations for networking and accessing support in Hong Kong, including associations for women-only as well as those for men and women. The Women's Foundation also runs a Mentoring Programme for Women Leaders which includes entrepreneurship panels and an entrepreneurs' mentoring circle where seasoned women business owners mentor and coach up and coming female entrepreneurs. However, these networks and schemes have been criticised for being fragmented and for not working together. The initiation of a high-level, government-led network which is a public and private sector partnership like Sweden's Ambassadors for Women's Entrepreneurship Programme or Going for Growth could help

21 Kauffman Foundation (2004), *Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture Capital Industry*, http://www.kauffman.org/uploadedFiles/Diana_2004.pdf (accessed 24 May 2013).

to tie the current fragmented networks together and lead the development of women's entrepreneurship in Hong Kong.

“If I had done this all on my own without moral, emotional, strategic support, I seriously would not have been able to do it.” says Yvonne Li of Avantage Ventures, a social investment and advisory company

While the use of social media in a territory with 50 per cent Facebook penetration is a prerequisite to successful business marketing today, it was widely agreed by the women interviewed for this research that virtual communications are no substitute for face-to-face networking and meetings. Physical networks remain important for building business relationships. CoCoon (see Section 4 in the main report) offers a co-working venue catering specifically for start-ups which provides the physical space for working and networking. There is no for women-only space yet like B.Hive in the UK (see Section 4 in the main report) but the recent trend for co-working spaces in Hong Kong is a positive development in building a community of entrepreneurs.

One expert commented that, taken as a whole, the combination of these co-working spaces and the efforts of organisations like General Assembly (see Section 4 in the main report) which offer start-up training, particularly in technology, as well as on-line support platforms like Dragon Law (see Section 2 in the main report) and new crowdfunding platforms (see Section 3 in the main report), means that Hong Kong is starting to have many of the necessary ingredients to develop a sustainable entrepreneurship culture.

Vicky Wu founded online fashion retail venture ZAOZAO with her partner Ling Cai. Wu enjoys the benefits of co-working space CoCoon as it is “a great space physically” and “a built-in social environment which is nice, especially when it's just the two of us most of the time.”

The private sector in Hong Kong has not been particularly visible in its support of women entrepreneurs so the launch in 2013 of Google's Women Entrepreneurs Online programme (see Section 4 in the main report) was a positive step, as was Google's subsequent launch of a joint mentoring programme with CUHK for young entrepreneurs. Given research showing that companies that have embraced the internet enjoy higher growth,²² training in technology is critical for women entrepreneurs who are proven to grow their businesses slower than men.²³

In addition, Hong Kong's e-commerce market has high forecast growth which women entrepreneurs can tap into if furnished with the right skills, particularly given the opportunity to market directly through and to women's networks in Hong Kong where women shop more online than men.²⁴ E-commerce is also the most efficient way of bypassing Hong Kong's punitive rental prices. However, it requires a huge leap of faith, which is challenging for women who are generally more risk-averse, to embark on a new business using only a digital, rather than bricks and mortar, space.

“When I observe successful people, I think they must have made as many mistakes as other people. They just learn from these mistakes faster.” — Erica Ma of co-working space, CoCoon

“I had no idea if Shouke would work, I had no idea what I was really getting into and whether it would be a success but the reason I did [it] was because it was a very important new facet of the retail world.” Adrienne Ma of Shouke, an e-platform offering off-season discounted designer clothing during timed events.

Engaging in e-commerce also requires skills in technology and in social networking, as well as in business ownership and development, which speaks to the need for training. What is more, training can be instrumental for developing confidence. The government has targeted some groups of women (low income, elderly) with computer skills training as part of its Digital 21 Strategy, and it has also targeted SMEs in programmes to build ICT capabilities, but it has not joined the dots between the two to focus specifically on

²² The Boston Consulting Group (2011), *The Connected Harbour: How the Internet is Transforming Hong Kong's Economy*; <http://connectedharbour.hk/> (accessed 6 April 2013).

²³ International Finance Corporation (2013), *IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction*, Washington.

²⁴ yStats.com (2013), *Tiger Countries B2C Commerce Report 2013*; <http://ystats.com/en/reports/preview.php?reportId=1016> (accessed 19 April 2013).

women-run SMEs. Initiatives are required to furnish young women with technology and coding skills so that they have equality of access to business opportunities in technology start-ups, such as Girls Who Code in the US (see Section 4 in the main report).

Johanna Ho, a fashion designer, runs an almost daily blog and says it is “part of selling the lifestyle - if I let them into my life, they are more likely to buy my products”.

Lindsey Hermes of Unison Creative, a digital design agency: “At times, people look at a woman in digital and they perhaps find it more difficult to trust a woman than a man because there are so few women” (although she is pleased to acknowledge that there are now more women who can code).

In addition, the private sector, especially MNCs with deep pools of expertise and well-developed diversity programmes in their head offices, could offer training in other areas. Banks could offer training in financial management, accountancy firms in book-keeping, law firms in demystifying legalese, human resources firms in employee management and so on. And support should not stop at training. A greater commitment on the part of Hong Kong companies to supply chain diversity, whereby large companies ensure that a certain proportion of their suppliers are minority-owned businesses, would increase opportunities for women-owned SMEs in Hong Kong and potentially elsewhere in the region.

“[My MBA at Henley Business School in the UK] was vital in terms of confidence building...I thought I couldn't do finance and I thought I couldn't sell but now I know I could sell ice to an Eskimo.” — Lizette Smook of Innovasians, an eco-design, manufacturing and consulting business

Many MNCs are subscribing to supply chain diversity programmes in other parts of the world but the same commitment is not evident when it comes to the selection of Hong Kong-based suppliers. In Hong Kong, it is unclear how companies are pursuing supplier diversity goals but the recent introduction of guidance on supply chain reporting, albeit voluntary, in the Hong Kong Listing Rules, may provide more clarity in future (see Section 4 in the main report). Meanwhile, there are global organisations such as WEConnect International that connect corporations with certified women-owned businesses who could be potential suppliers or partners.

But it is also clear that women also need to help themselves. In this research, some of the women said they had not started out with grand ambitions but, rather, they had become entrepreneurs because they wanted to pursue their passion or wanted more flexibility in their lives. Some of them said they had become more ambitious as they tasted success, others not. It is hard to tell whether the latter are genuinely unambitious or whether they are scared of failing and doubt their own ability. GEM research has found that compared to men, fewer women believe they have the capabilities for entrepreneurship and more women are dissuaded from starting up by fear of failure, and this is worse in developed than developing economies.²⁵

Whilst the government, the private sector and women's groups can do more to help women entrepreneurs, women also need to help themselves. Many of the women interviewed felt they had only experienced isolated incidents of discrimination and that Hong Kong was not an especially difficult place for a woman to do business. But women can also do much more by way of recognising and promoting their strengths and positioning themselves more effectively for success. They need to 'lean in', as explained in Facebook Chief Operating Officer Sheryl Sandberg's recent book, and seize their own moments.²⁶

Suzanne Liu of S. Liu & Co. speaks for many when she says: "I started with a 100 square foot room without a window. That was my confidence level then. It was zero. I thought nobody would come to see me because I am a woman and I was too scared."

I am not someone who could go to the bank and get a big loan and live with that.

ELIZABETH THOMSON OF ORANGEFIELD ICS, A TRUST, TRADE, AND TAX SERVICES COMPANY

²⁵ Global Entrepreneurship Monitor (2011), *GEM 2010 Women's Report*; <http://www.gemconsortium.org/docs/768/gem-2010-womens-report> (accessed 25 April 2013).

²⁶ Sandberg S. (2013), *Lean In: Women, Work and the Will to Lead*, US: Knopf Doubleday Publishing.

**Take advantage of being a woman
so that we remember you.**

**Because all the other bankers
are just men in dark suits.**

AMY YIP, RAYS CAPITAL HEDGE FUND

According to Charlene Kotwall of The Mustard Seed Workshop, which designs, sources and distributes high-end artisanal products from impoverished communities: “If you don’t have money, you don’t have an agent and you don’t have anything basically, you just have to be gutsy, there is no other way.”

Ella Cheong of Ella Cheong, an intellectual property legal firm, echoes that sentiment. “In Hong Kong, if you have enough entrepreneurial spirit, then you can succeed even as a woman.”

RECOMMENDATIONS

More entrepreneurial activity in Hong Kong will make a positive contribution to job creation and future economic growth. If women are given the support they need to become successful entrepreneurs, the talent pool for entrepreneurship will be bigger. But given research showing that, on average, women owned businesses tend to be smaller than men’s and grow more slowly,²⁷ targeted assistance is required to close the gap between men and women’s enterprises, to empower women-owned businesses to reach their full potential and to expand the economic contribution of the sector. Facilitating an environment that better meets the needs of women entrepreneurs in Hong Kong requires a joined-up and co-ordinated effort across government, the private sector, the investment community, business associations, civic society and women themselves. This kind of holistic approach is necessary for women’s needs be reflected in policy and translated into action and implementation. A full list of suggestions for change and responsibilities with more detailed explanations is presented in Section 6 of the main report but in summary include:

27 International Finance Corporation (2013), *IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction*, Washington.

TOP 10 RECOMMENDATIONS

Priority	Recommendation	Responsibility	Issue/Solution
1	Establish a Women's Entrepreneurship Centre, possibly within the Trade and Industry Department	Government, stakeholders	Establishing a dedicated entity to support women entrepreneurs would provide the capacity to apply a gender lens to the development of the SME sector and business ownership in Hong Kong. The new Centre would be tasked with systematic collection of gender-disaggregated data and detailed analysis of the needs of women entrepreneurs, leading to a proposed policy framework for women business owners.
2	Encourage more Hong Kong companies to embrace supply chain diversity with a particular focus on supporting and providing opportunities to women-owned businesses	MNCs and private sector companies, particularly Hong Kong's leading companies	While Hong Kong's leading companies are increasingly taking diversity seriously in terms of their workforce and leadership and management teams, it is unclear how many are applying diversity policies to their supply chains and subsidiary companies. A greater commitment by MNCs and major Hong Kong companies to procure goods and services from women-owned businesses while offering support, training and mentoring would provide valuable business and development opportunities for women entrepreneurs.
3	Develop expertise for IT-related and high growth industries by equipping young women (and men) with computer science and coding skills	Government, schools and universities, NGOs/civil society, businesses	Hong Kong lacks targeted efforts to encourage girls and young women to consider studying computer science and jobs within IT. Introduce school and university level programmes to encourage girls to learn how to code and to educate them (and their parents) on IT related career opportunities.

Priority	Recommendation	Responsibility	Issue/Solution
4	Launch programmes to provide women entrepreneurs with vital access to venture capital, business advice, training and mentoring	Government, banks, private sector companies, business associations, trade bodies, stakeholders	Involve multiple stakeholders in developing comprehensive, targeted programmes that provide women entrepreneurs with access to venture capital, business advice, training in financial literacy, business planning, pitching, managing growth and scaling up, and mentoring.
5	Build women's representation and networks within the angel/VC/PE community	Angel/VC community	Grow the proportion of women within the angel and VC community in Hong Kong. In turn, this is likely to bolster the number of women entrepreneurs who are successfully tapping angel investors or VC/private equity money. Encourage women investing in women initiatives.
6	Develop platforms to facilitate hiring by SMEs and start-ups	Business associations, start-up communities	Finding employees who want to work in a start-up (and even more so, in a woman-owned start-up) can be difficult given the usual case of low salaries and lack of benefits. Online niche marketplaces can help refine searches by possible employers and employees. There is also an abundance of middle-aged women who are not in employment and could be targeted for re-training or skills development to make them more employable by start-ups and women-owned businesses.
7	Public education and promotion of role models	Government, private sector, NGOs/civil society, business associations	Many women lack self-confidence and self-belief in what is possible. Seeing what other women have achieved can be very encouraging and inspiring. We need more mentoring programmes for women entrepreneurs while promoting successful women entrepreneurs as role models.

Priority	Recommendation	Responsibility	Issue/Solution
8	Review the factors preventing women from entering and succeeding in high growth sectors	Government, universities	Men owned businesses currently dominate Government incubator schemes particularly among ventures considered to have high growth potential. Involve the academic community and organisations like the Hong Kong Science Park in reviewing the barriers preventing women from successfully launching and developing high growth enterprises. In addition, promote Government and other schemes that focus on growth sectors which women excel or are particularly interested in – e.g., social enterprises.
9	Build on Digital 21 programmes to encourage entrepreneurship	Government, private sector companies	Expand or leverage existing digital education programmes like the Digital 21 ‘Internet Learning and Support Programme’, perhaps in partnership with the private sector, to encourage the women participants to use their skills to launch a new enterprise or business.
10	Implement Hong Kong’s re-entry to the Global Entrepreneurship Monitor Project	Government	Termination of Hong Kong’s inclusion in the Global Entrepreneurship Monitor Project means that there is now no regular, systematic way to measure Hong Kong’s entrepreneurial activity on the global landscape. To retain its status as a world city in business and entrepreneurship, Hong Kong must continue to be analysed as a stand-alone city in the GEM rather than being included within Mainland China. This will also encourage collection of gender-disaggregated data in Hong Kong.

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