
2009 SURVEY OF GREATER PHILADELPHIA WOMEN ENTREPRENEURS

EXECUTIVE SUMMARY

The power and influence of women in the business community is stronger than ever, continuing to gain ground as women move in greater numbers into executive suites and board rooms. This trend is also reflected in the entrepreneurial world as more women found and take leadership roles in growing companies. To learn more, WIN, the Wharton Small Business Development Center and Ben Franklin Technology Partners partnered to conduct a survey of women business leaders in the Greater Philadelphia region. Specifically, the survey aimed to target women entrepreneurs that lead or own businesses that raise external capital to finance their growth. The survey, one of the first of its kind in the nation, highlights the factors that lead to successful business growth, showcasing the successes – as well as the challenges and barriers that remain.

Respondent and Business Profile

More than 60 women responded to the online survey, which covered topics such as resources, business barriers, financing, and board relationships – the key issues faced by business leaders today. In addition, a focus group was conducted to develop a more personal and more qualitative perspective.

Respondents included a diverse cross-section of women and types of organizations. Not surprisingly in the Greater Philadelphia region, many women entrepreneurs lead companies in the life sciences sector but many other industries were represented as well. But while their businesses and backgrounds are diverse, respondents demonstrate a common drive to succeed on their own terms.

The businesses these entrepreneurs create are robust: on average they have 43 employees, and they have significant capital needs, with the average capital raised and annual budget in the range of \$8 million to \$10 million. Additionally, they spend significant amounts of money on lawyers, accountants and consultants within the region, thus having a significant impact on the region's economy.

Inflection Points

In every business life cycle, there are inflection points – that is, the events around which success or failure can hinge. For some respondents, this critical juncture occurred when a major financing round was completed. Others cited the achievement of a critical mass

of sales or a major R&D breakthrough as key transition points for their companies. While the majority of these inflection points were driven from within these entrepreneurial business, many respondents recognized that external events can also have significant impact on entrepreneurial enterprises.

Board of Directors

An outside Board of Directors is becoming more common in entrepreneurial businesses, with nearly 60% of respondents reporting the utilization of Boards of Directors and/or Advisory boards. Most agreed that an effective Board of Directors was an important factor in their growth but often added that developing and managing a Board can also be a challenge. Communication was cited as the key factor in creating and sustaining an effective and productive Board.

Barriers & Challenges

Women entrepreneurs continue to state that financing their business is a key challenge. The lack of sufficient capital sources has been highlighted in many previous surveys of women business leaders, including the 1998 survey conducted by Ben Franklin Technology Partners.

According to our respondents and others, the funding challenge may be even greater for women. "There is a substantial funding gap that limits women's opportunities to grow their ventures aggressively and to lead high-value firms." (*Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture Capital Industry*) Many of our respondents agreed and attributed this to the dearth of women in venture funding.

In terms of funding sources, friends and family was the most often cited source of capital followed closely by bank financing and angel investors. However, when the *amount* of financing was considered, venture capital sources provided the greatest dollar amount by far to the emerging growth businesses targeted in our survey.

Running a close second to funding was the challenge of finding the right team. A high functioning management team is considered by respondents as essential to entrepreneurial success.

Entrepreneurial Ecosystem

Networking and mentoring contributed significantly to their personal and professional success, according to survey respondents. This was underscored in focus group discussions where participants credited a number of regional organizations with valuable assistance and support. These included Ben Franklin Technology Partners, BioAdvance, WIN, and universities.

Conclusions

Women entrepreneurs have been an important driver of high-growth businesses in the Greater Philadelphia area and represent a significant body of knowledge and experience. Through this survey, we have learned a great deal about this powerful group including:

- § Challenges in financing entrepreneurial business remain large.
- § Despite these challenges, women leaders in emerging growth companies in our region have successfully raised significant outside capital from investors across the U.S.
- § Significant knowledge of and use of various financing strategies are necessary to properly and adequately finance a business. More sources of capital targeting emerging growth businesses are required to create a vibrant entrepreneurial ecosystem in our region.
- § The majority of emerging growth companies use outside Boards of some kind and value the assistance the Boards can provide on strategic and tactical issues.
- § These ventures and the resulting companies represent significant job creation both within companies directly and through their utilization of components of entrepreneurial ecosystem.
- § Our respondents shared strengths that included vision and the ability to motivate people – both internal and external to their organization. These leadership traits are key to business success.
- § Our respondents value networking in the entrepreneurial community.
- § Our respondents give back to a diverse group of organizations through volunteerism.

Overall, the news is good. For the most part, the challenges faced by today's entrepreneurial business leaders appear to be gender blind but gender still matters – especially in funding. But despite the challenges, their advice for women thinking about starting or leading an emerging growth venture was, quite simply “Go for it”.

INTRODUCTION

The power and influence of women in the business community is stronger than ever and gaining ground as women move in greater numbers into executive suites and board rooms. Indeed, an increasing number of women are leading entrepreneurial businesses that have the potential to become significant regional enterprises. Women leaders whose businesses require that significant outside capital be raised to fund growth face unique challenges and opportunities as they seek to finance these emerging companies. But research on this group of women's businesses has been limited.

In response, WIN, Ben Franklin Technology Partners and the Wharton Small Business Development Center partnered to conduct a survey of regional women business leaders in the Greater Philadelphia region in an effort to find out more about this important business segment.

This study, one of the first of its kind in the nation:

- § demonstrates the strengths and accomplishments of women entrepreneurs in our region,
- § highlights the factors that lead to successful business growth for women entrepreneurs, and
- § identifies the resources available to high-growth entrepreneurs and approaches that work for these successful women.

This report summarizes the results of the survey and focus group interview. This report will be used as a stimulus for discussion at the May 7 WIN meeting, at the WIN CEO Forum on May 20th and – with the discussion -- as a guide for a fuller analysis of the survey data.

Today the national and regional entrepreneurial landscape includes women business leaders who have founded and successfully grown businesses that have had a significant impact on our economy. That is:

- § businesses with a current substantial employment base and revenues that qualify them as major regional players; or,
- § emerging growth businesses that are likely to become major regional players, given their growing revenue and employment base, their funding needs, or their potential to grow.

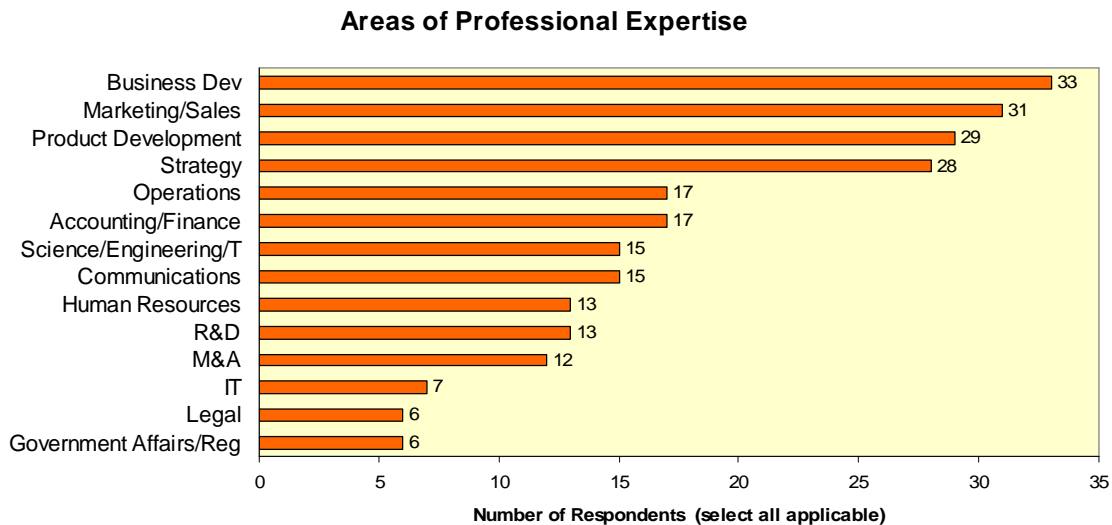
The survey results clearly demonstrate these successes – as well as the challenges and barriers that remain.

RESPONDENT PROFILE

More than 60 women responded to the online survey, each of whom were founders or CEOs of companies that raised significant outside capital to finance growth. The survey covered topics such as resources, business barriers, financing, and board relationships – that is, the key issues faced by business leaders today. In addition, a focus group was conducted to develop a more personal and qualitative perspective.

Respondents included a diverse cross-section of women entrepreneurs leading organizations in a variety of industries. The survey respondents represented a highly learned population with 37% holding graduate degrees including MBAs, JDs, and MDs.

In terms of their professional experience, not surprisingly respondents reported extensive business backgrounds. (Note: respondents were asked to check all that applied from list below). In terms of professional expertise, business development, marketing and sales, new product/service development, and strategy were all mentioned by a significant portion of respondents. Skills such as accounting, government affairs, Information Technology (IT), and legal were mentioned by only two to three percent of respondents.



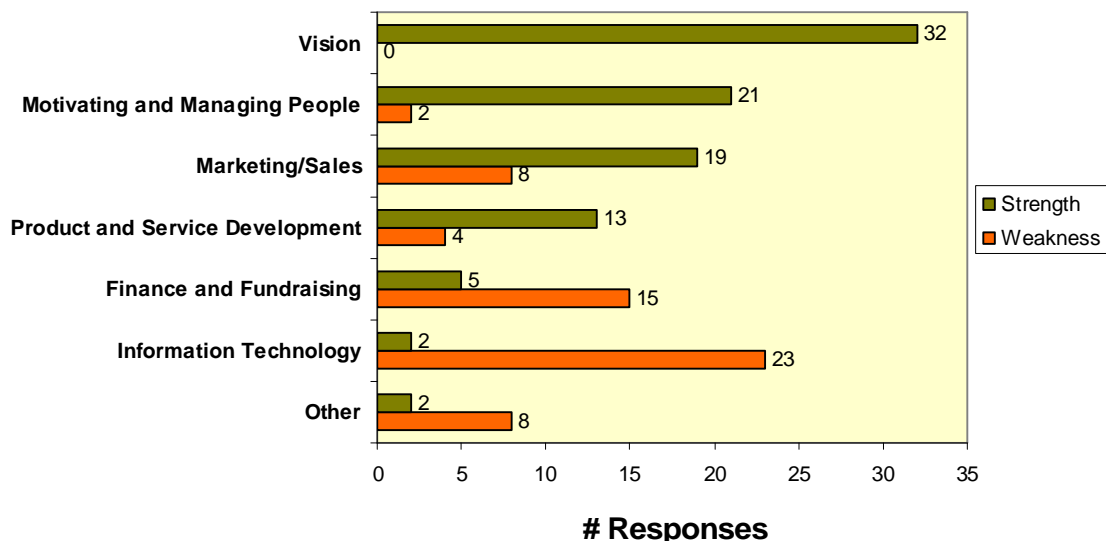
This impressive group has an average of eight years of CEO experience, indicating that they come to the entrepreneurial environment not only with significant business expertise but with executive experience as well. In addition to their C-level experience, there was an average of 18 years professional experience in their company's core business sector. Twenty-one respondents had founded or co-founded at least one business. In addition, the survey reveals that a small number of women leaders in this

region have founded multiple companies and are serial entrepreneurs, having served as CEO in two or more organizations.

Professional experience (# years)	Average	Maximum
Years of CEO experience	8	25
Years of professional work experience (including CEO)	23	34
Years as C-Suite executive (other than CEO)	7	28
Years of professional experience in the core business sector	17	34
Years of non-business professional experience (eg, scientific or academic)	4	30
Number of businesses you founded or co-founded	3	21
Number of businesses you served as CEO	2	10

In the analysis of their own perception of their strengths, 94% of those who responded said that vision was one of their strong points. This is a welcome response in that management experts frequently cite a CEO's vision – that is, their ability to provide a clear and compelling image of the business objectives for their company to employees, investors and customers – as a key component of a highly successful company. It also tracks with the Philadelphia 100® award winners, 80% of whom cited vision as one of their strengths. More than half of those who responded also mentioned Marketing/Sales (59% in the Philadelphia 100) and Motivating and Managing People (41.3% in the Philadelphia 100) as a strength. Thirty-five percent mentioned Product and Service Development as a key skill they bring to the CEO role.

CEO Strengths and Weaknesses



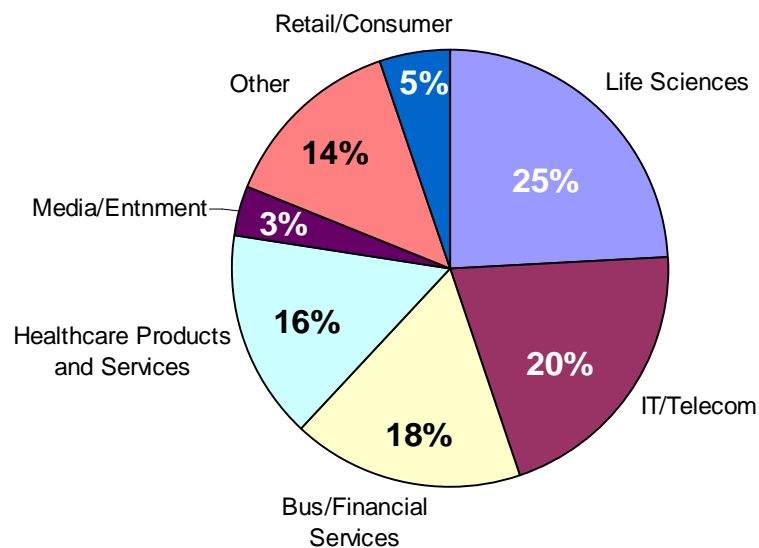
Respondents chose up to 3 strengths and 3 weaknesses

Conversely, our CEO respondents mentioned Information Technology (35%) and Finance and Fundraising (26%) as their perceived areas of weakness. Again, these results are consistent with the Philadelphia 100, 30% of whom mentioned Financial Strategies and Information Technologies as a weakness.

But while their businesses and backgrounds are diverse, all surveyed respondents demonstrate a strong drive to succeed on their own terms. Focus group comments such as “I felt like we should be masters of our own destiny,” and “Starting something – that’s where the fire is,” and “the thrill of living on the edge,” formed a common thread among these women.

BUSINESS METRICS

The CEOs responding to the survey led very diverse businesses, representing industry sectors ranging from biotech to media/entertainment. Almost 40% of respondents indicated that they worked in the healthcare products and life sciences arena. This finding may be related to the fact that the Greater Philadelphia region is home to many excellent universities, pharmaceutical companies, and other medical and science related businesses. The next largest sector was information technology (21%), followed closely by business services (17%).



% responding

The age of their businesses ranged from the oldest of 37 years to the youngest, less than one year (founded in 2009), and with an average age of eight years. Fifty-one percent of respondents indicated that they were a founder of the business and 71% currently serve as CEO of the business. Actual ownership, however, showed a broad range, likely reflecting the stage and financing history of the businesses these entrepreneurs lead. Of those responding, 23% indicating that they owned less than 10% of the business, 49% owning between 11 and 99%, and 29% owning 100%. As a benchmark, surveys of venture capital backed companies indicate that on average, CEOs, who are not founders of a business, own approximately 5% of companies they lead.

Percentage of business owned	(%)
1<10%	23%
11-25%	11%
26-50%	18%
51-75%	9%
76-99%	11%
100%	29%
Total Responses	100%

Survey respondents reported data for their current business, or peak performance year for a former business. Responses showed that the average number of employees in their business during its peak performance year (2007) was 43. However, companies ranged from small, with one employee, to much larger companies, with 500 employees. Annual revenue of all the surveyed businesses averaged \$8,976,450. However, this figure was clearly impacted by the types and stages of companies in the survey. For example, a majority of biotech companies are conducting research and development of new drug therapies. As such, these are cash-consuming businesses and might not generate revenue for many years to come. When analyzed by sector, the average revenue for pharma / life sciences / biotech was \$39,091 as compared to the average of \$12,366,483 for all other industries represented in the survey.

Business Characteristics	Average
Please indicate the year of your business' peak performance	2007
Please indicate the number of employees in your business	43
Please indicate the annual sales revenue of your business	8,976,450
Please indicate the annual budget of your business	6,197,942

When asked to indicate the annual budget of their business, companies surveyed reported a median budget of \$6,197,942 per year – a truly significant budget indicating

the participation of sizeable entrepreneurial ventures. Again, the range of responses reflects the diversity of businesses included in the survey, with a maximum of just over \$40 million reported for one company.

For the most part, respondents were optimistic about the future. When asked how they expected their revenues to change over the next 12 - 36 months nearly 60% indicated that they anticipated revenue growth greater than \$1 million and 22% expected revenue to grow by over \$10 million.

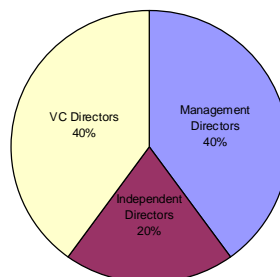
% Respondents	
2%	Expected a decrease in sales
24%	Expected no change in sales
15%	Expected an increase in sales of less than \$1M
22%	Expected an increase in sales between \$1M and \$5M
15%	Expected an increase in sales between \$5M and \$10M
22%	Expected an increase in sales over \$100M

In terms of employee growth over the next 12 months, 47% expected no increase or a small decrease (less than 10). However, looking out over the next 12 to 36 months, 88% expected to add employees. Currently, respondents have an average of 43 employees per business, with a wide range from 1 to 500.

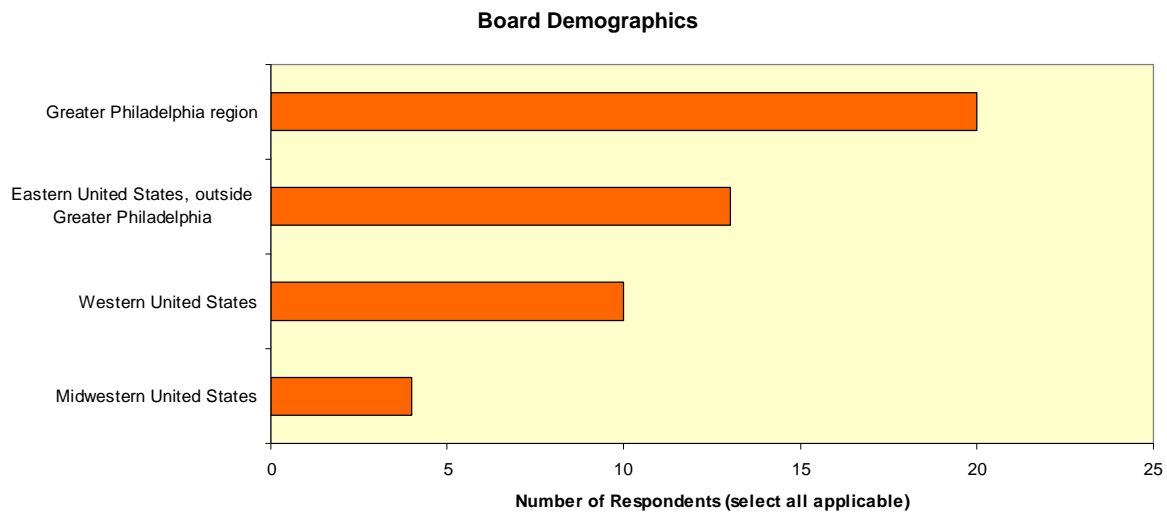
BOARD OF DIRECTORS

Boards of Directors are often critical to the growth of a business and 61% of the respondents said that their business has a Board of Directors. All of the focus group members had worked with or currently worked with an active Board. While Board management was a key issue for focus group respondents, 97% of respondents indicated that the time they devoted to managing the Board of Directors was less than 25%. The average Board is comprised of 5 Directors with a maximum of nine Directors. On average, 40% of Boards were composed of management representatives and 60% outside directors, including venture capitalists or independents.

Board Composition



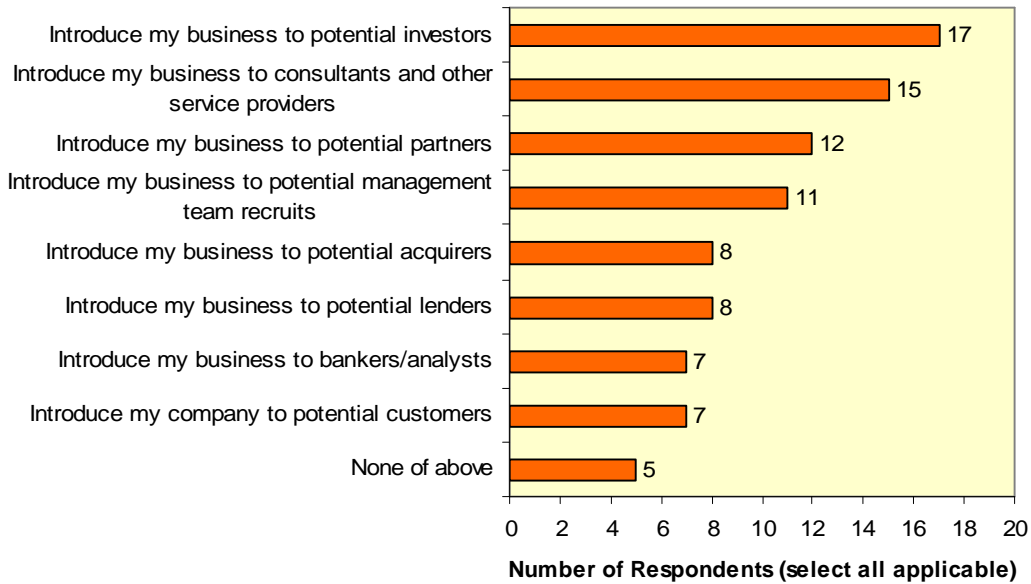
Demographically, in terms of Board composition, 42% respondents indicated that they had Directors from the Greater Philadelphia area, 29% from the eastern U.S. (outside the Greater Philadelphia area), 9% from the Midwestern U.S., and 20% were from the western U.S. No respondent reported that they had a Board director who was from outside the U.S. Sixteen percent of Boards meet monthly, 64% meet quarterly, and 8% meet biannually.



CEOs in the survey reported that Board relationships ran the gamut from being described as “extremely effective” to “weak,” depending on a number of factors. These included the expertise represented on the Board especially as it relates to the stage of the business, the composition of the Board in terms of internal and external members (e.g. representation by venture capitalists or other independent advisors), their ability to develop contacts and strategic introductions to the funding community, strategic partners and potential employees, and their experience level in funding and management. Effective Board members have the time, interest, and expertise that a young or growing company needs, according to participants.

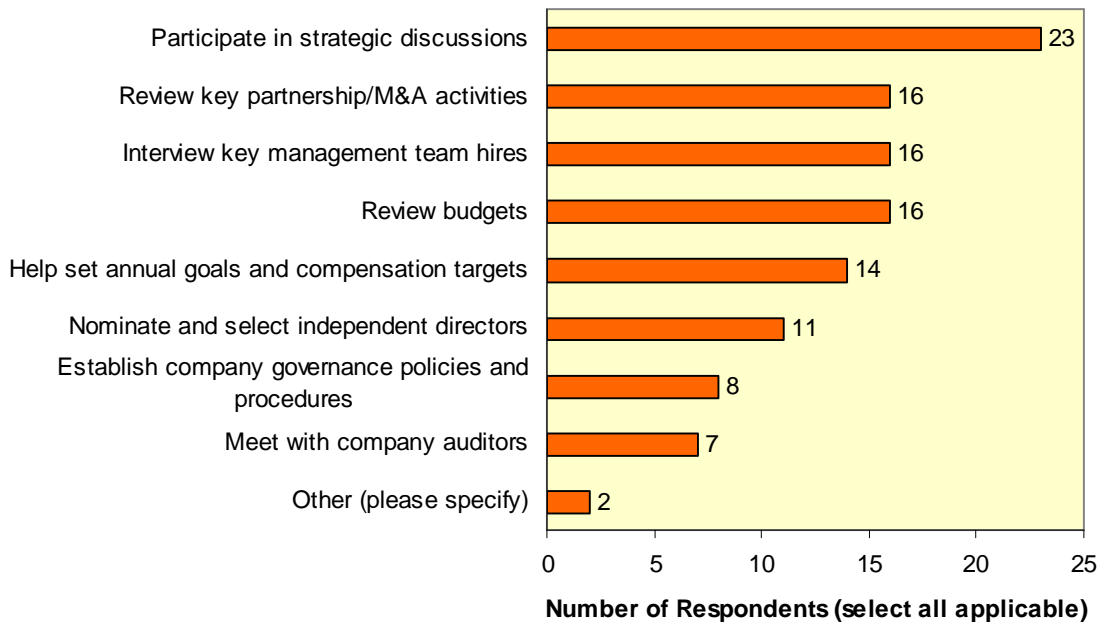
Directors are seen to assist their companies primarily through introducing company management to other potential investors (68%), 32% provide introductions to potential lenders and to consultants and other service providers (60%) as well as recommending potential management team hires (44%).

Means of Introduction



In addition to meetings and introductions, the survey respondents report that their Board Directors are actively involved in setting strategy, assisting with business development (partnership and M&A), as well as budget setting. This is in addition to goal setting, compensation, and selecting new Board members.

Boards of Directors - Key Interactions

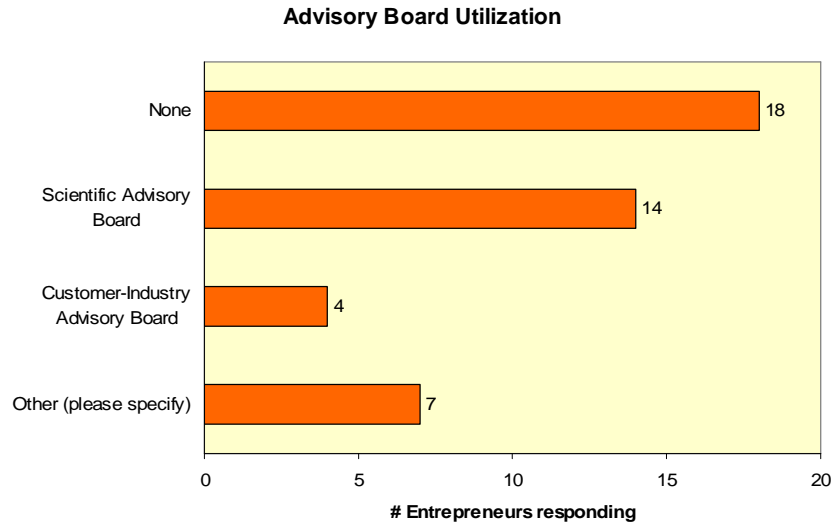


All agreed that the key to a successful relationship and an effective Board is communication. "Never tell any Board member anything for the first time at a Board meeting" was just one of the comments heard in the interview and all agreed that one-on-one communications with each Board member between Board meetings was critical to a good working relationship.

"They need to know exactly what is going on ...you need to be sure that problems are our problems – not your problems," explained one serial entrepreneur. The mantra of most of our respondents was, when dealing with the Board, make sure there are "no surprises." Excellent communications, explained our focus group respondents, is essential to creating and sustaining the trust and bonding that a Board needs internally to be effective. Similar issues were brought up in terms of dealing with investors and the importance of communications and management.

Gender played a part with Board relationships as well. Explained one focus group member, "As a woman, I think sometimes you don't carry the weight or credibility and you have to work harder (managing a Board)." Interestingly, respondents did not feel the same gender challenges when it came to hiring or getting customers. "The primary problem is a social discomfort. The truth is they just don't call me and say let's go play golf." It's "a more subtle thing – they can't quite figure out which bucket to put me in." According to our participants, age was a factor. "The average age of the men on one Board was 60+ and they just couldn't relate in many ways. They put you in a category of someone different." But most were hopeful that this will change over time.

In addition to a formal Board of Directors, many of the respondents surveyed indicated that they also utilized an advisory board in their companies. Many of these external committees advised their business on scientific issues and several companies reported the use of customer focused advisors. One focus group participant discussed the role of her Advisory Board. "To get outside influence, we have an advisory board whose basic purpose is to help us build the business. (This Board is composed of) former CEOs or CIOs and obviously there is a halo effect – a credibility piece. Secondly we use them for lead generation, contacts and thirdly we use them to brainstorm on service offerings and fourth to get (a customer) perspective." Other focus group participants found advisory boards valuable as well.



INFLECTION POINTS

In every business life cycle, there are inflection points, that is, the events around which a business is created, or circumstances upon which success or failure can hinge. For some respondents, this critical juncture occurred when a major financing round was completed. Another cited the achievement of a critical mass when three major customers were secured and their credibility as a small company was solidified in the market. Certainly as important, if not more so, this event also created a reliable revenue stream. Other executives cited a major R&D breakthrough such as “when you’re breaking the blind on a trial” or when business goals diverge and a company moves onto a new path. More process-oriented events were named as well such as a shift from a “patriarchal” culture to one which encouraged personal responsibility – a more gradual change that resulted in increased responsibility on the part of employees. For some, the decision to take a leadership role in a company was precipitated by a specific event or set of “make or break” circumstances, such as the woman who became CEO as the result of a buyout. Another respondent cited a personal desire to help combat the AIDS crisis and formed a biotech venture with the goal of making a difference in this field.

This focus group perspective is in contrast to *Women and Entrepreneurship in Greater Philadelphia*, a survey conducted in 1998, in which many women cited personal rather than professional reasons for moving into their own business. “The most commonly cited personal reason for starting a business stemmed back to a desire for a change in lifestyle or the need to accommodate a change in life situation such as pregnancy, a divorce, or taking over of the business of a partner or family member.

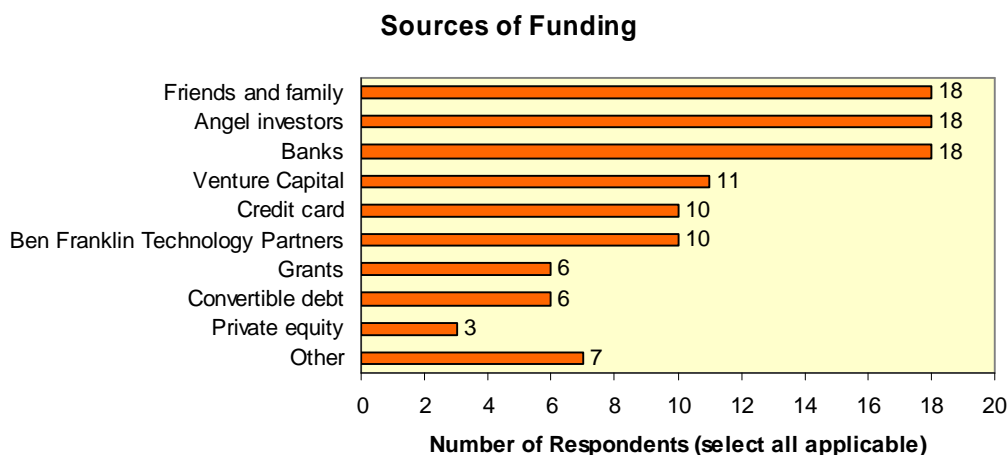
These inflection points have a common theme in that they were initiated internally with the company driving the outcome. But focus group participants did agree that external events such as the dot.com bubble burst and 9/11 can dramatically change a company's path.

RESOURCES & FINANCING

Financing of course is a challenge for all entrepreneurs – and particularly difficult in the current environment – but the challenge may be greater for women. According to *Gatekeepers of Venture Growth: A Diana Project Report on the Role and Participation of Women in the Venture Capital Industry*, "There is a substantial funding gap that limits women's opportunities to grow their ventures aggressively and to lead high-value firms. The supply side of the venture capital equation provides some explanation for why women entrepreneurs have been largely ignored by the funding community. Very few women occupy decision-making positions in the industry."

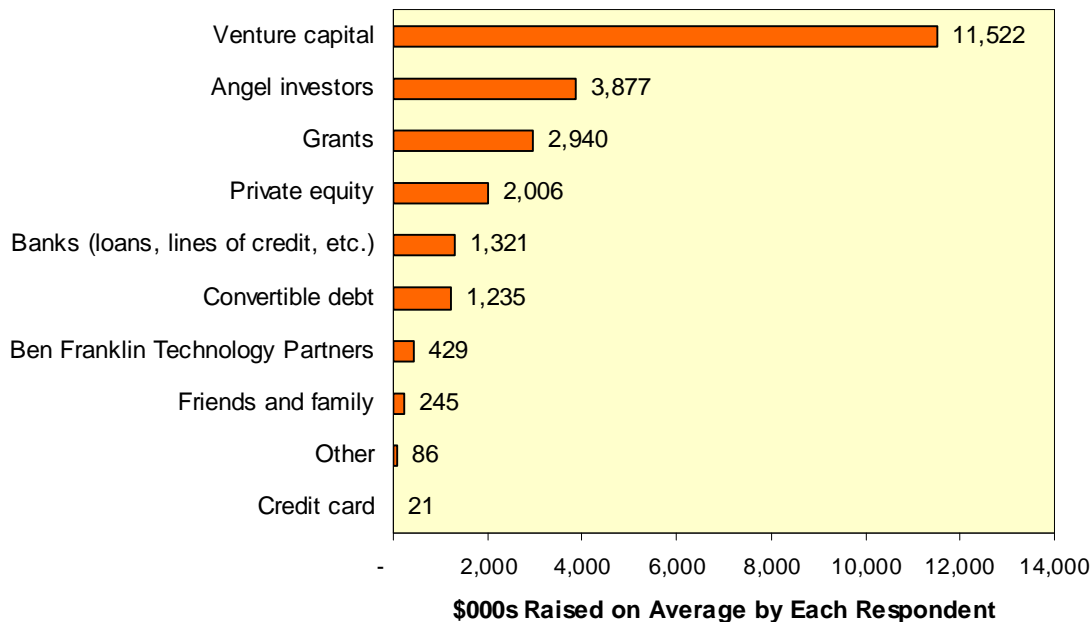
In the report, "Trish Costello, CEO of the Center for Venture Education, noted: 'Most venture capitalists have a tight and trusted circle of business colleagues who act as gatekeepers for high-potential deals, and women have rarely been networked into this small inner circle.'" Focus group participants agreed strongly with this assessment, citing a notable lack of women in management in the venture community. "I so rarely meet a woman venture capitalist. I think I've pitched two women out of 40," commented one focus group member. "That's when there's going to be no issue anymore – is when we've got them on the other side of the table."

Seventy-four percent of the respondents utilized outside capital to finance their business growth. Funding requirements and sources vary by industry and size of business and can come from many sources – from credit cards to angel investors as indicated by the following responses:



While friends and family, and angels were the most often *used* source of funding, the largest *amounts* of funding came from venture capital. The average amount of venture capital funding raised by companies represented in this survey was approximately \$10.5 million, with a maximum of \$60 million.

Funding Sources by Amount

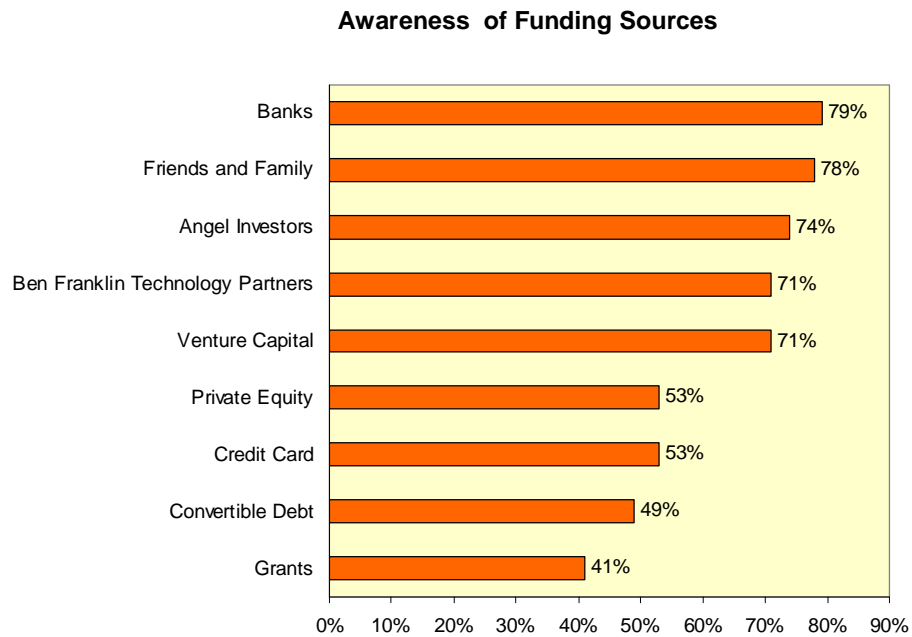


More than one round of financing was required to support these emerging growth businesses. The average number of rounds was 1.2, ranging from 0 to 5 external financings. The vast majority of respondents did not intend to raise money over the next 12 - 36 months. Those that were contemplating a financing event expected to raise modest amounts of capital (<\$1 million or \$1 - \$5 million range). Not surprisingly, the amounts raised during the history of the business by life sciences, biotech and pharma was on average \$23 million versus \$4.8 million for the rest of the responding businesses.

Outside Capital Raised	All Companies		Life Science Companies		All Other Companies	
	Average	Maximum	Average	Maximum	Average	Maximum
Throughout the history of the business	\$10,554,443	\$60,000,000	\$23,035,455	\$60,000,000	\$4,833,979	\$54,000,000
During your leadership of the business during the peak performance year	\$9,148,591	\$60,000,000	\$22,515,556	\$60,000,000	\$4,135,979	\$54,000,000

The majority of respondents (79%) were well aware of bank financing. Similarly, most respondents were well aware of funds available through angel investors, grants and economic development agencies, such as Ben Franklin Technology Partners. However,

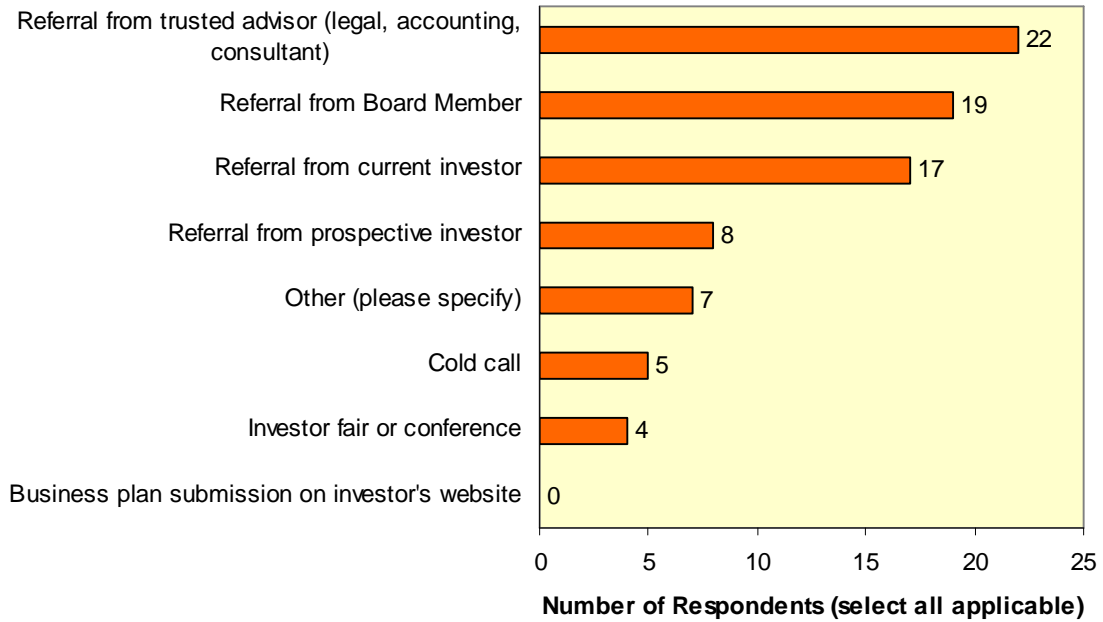
while 71% of respondents knew of venture capital funds as a source of financing for their business, more than 40% of the respondents said that they were not aware or not adequately aware of private equity options in our region. A similar 49% were not familiar with convertible debt as a financing vehicle. These results show strong correlation with the sources of financing utilized by respondents to build their businesses.



% Respondents indicating they were well aware of this funding source.

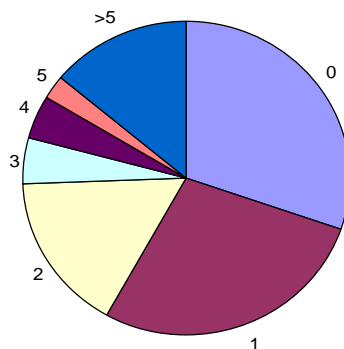
In most cases, introductions and referrals were considered to be important in terms of obtaining financing. Trusted advisors were reported as the most effective means of finding new investment for the companies surveyed, and conversely, where no relationship existed, “cold-calling” was noticeably less effective. Current Board members and investors were also especially helpful in this area.

Financing - Means of Introduction



Many companies are financed by more than one investor. Interestingly, while 28% indicated that they had one sole investor, 14% of respondents reported that more than five investor groups had invested in their company. Forty-two % of respondents reported 2 or more investors in their company, further underscoring the importance of referrals.

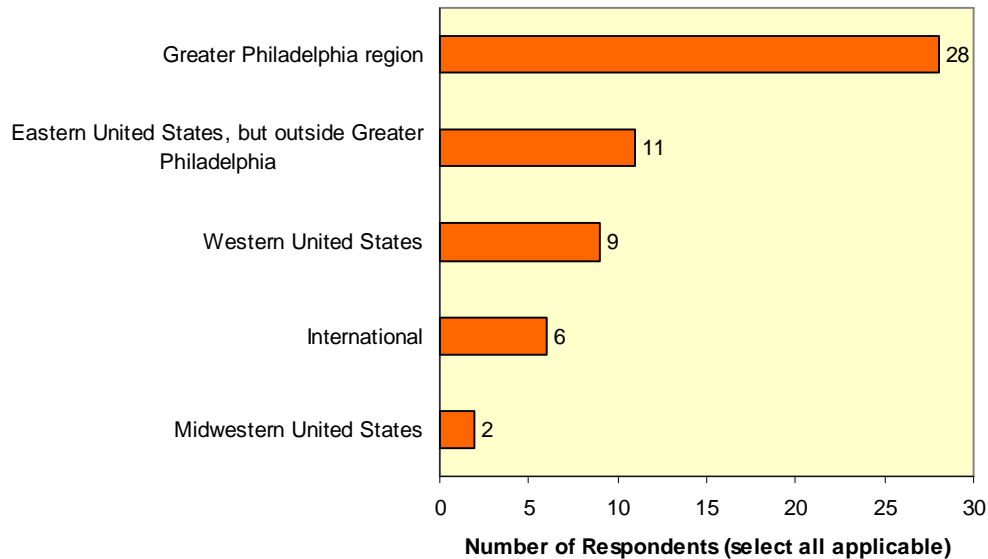
Financing - Number of Funders Involved



Sixty-five percent of respondents indicated that they had received funding from sources in the greater Philadelphia region. Twenty-six percent of funding was received from sources in the eastern U.S. but outside the greater Philadelphia region, and 26% was

from the Midwestern and western regions of the U.S. Fourteen percent of respondents said that they had receiving funding from international sources.

Financing - Demographics of Sources



Managing the fund-raising effort is a big job as well, occupying significant amount of CEO time and attention. Twenty-eight percent of respondents indicated that more than 50% of their energy was focused on financing during active periods.

Subsequent to financing, CEOs spend time working with their investors. More than 50% of respondents indicated that this was important but not all consuming activity.

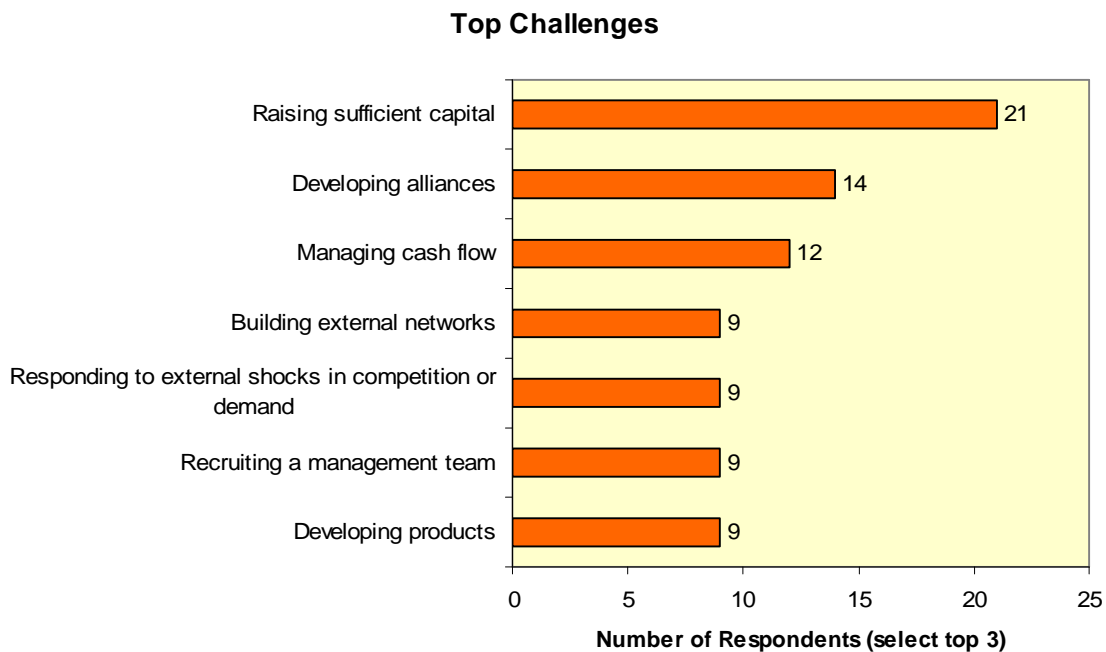
Of course, not all resources are financial. All the women in the focus group gave credit to mentors. Most of their mentors, interestingly, were men although one can reasonably assume that this has much to do with the fact that men still outnumber women in executive positions. One can only speculate that this will change as more women reach similar stages in their entrepreneurial careers.

Service professionals can be a tremendous resource as well, not only in terms of their specific expertise, but also in terms of their general business experience and knowledge. The entrepreneurial businesses surveyed are significant users of professional services in the Greater Philadelphia region. In terms of budgeting, a significant majority of the companies spent less than \$50,000 annually on legal accounting and consulting fees. A smaller but still significant proportion of respondents spend more than \$50,000 each year with their service providers. Utilization of external resources is a common strategy among entrepreneurial businesses and serves to underscore the value of these emerging growth companies to the Greater Philadelphia economy.

Professional Organizations	\$0-\$50K	\$50-\$100K	\$100K+
Lawyers	32	2	8
Accountants	36	3	3
Consultants	25	6	10

BARRIERS & CHALLENGES

All businesses face challenges and there was a great deal of consensus in terms of what were the major challenges. When asked to describe their three biggest challenges, participants responded as follows:



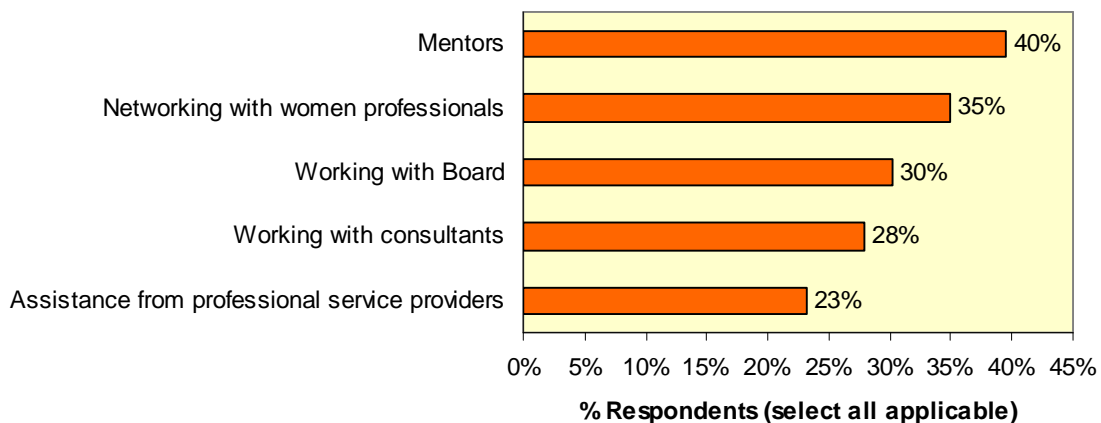
Not surprisingly, focus group participants felt that raising financing was their biggest challenge. Running a close second was finding the right team. "The right people are the best people in the world and the wrong people are a disaster," said one. "All of us take too long to get rid of the bad ones. It's also probably the biggest thing when you get it right."

Respondents also agreed that getting those “first three big customers” was a challenge for all, often coming down to a matter of a “little tiny company convincing a big company” that they can do the job. This is a key area in which Boards, service professionals, mentors, and mentors can be a tremendous asset, according to respondents.

Many felt that being a woman was an obstacle in and of itself, especially when it came to funding. But it’s getting better. “I’ve walked into my share of meetings where it was obvious that this (funding) was just not going to happen. I see that less and less now and it’s not as bad as it used to be. I think it helps that we have some successful women entrepreneurs who have been very vocal and out there in our community. Once you’ve got that going, gender becomes secondary.”

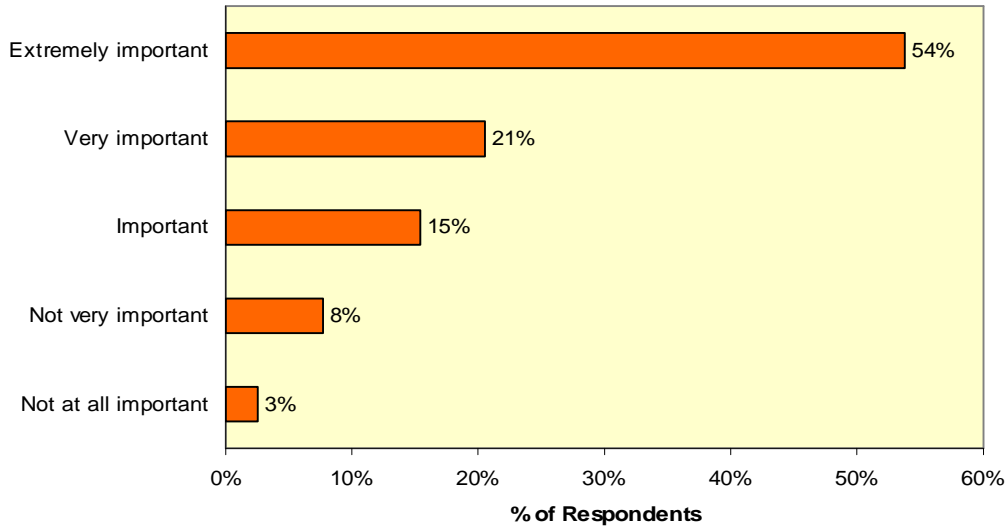
When asked what tools and strategies they found to be effective in addressing these challenges, their responses varied but, for the most part, focused on reaching out to others.

Addressing the Top Challenges



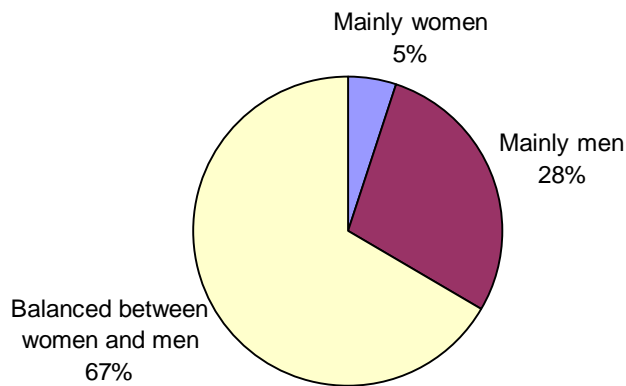
Networking provides resources as well and respondents understand its importance. During the last 10 years, there has been substantial movement nationally in the establishment of organizations to aid the growth-oriented woman entrepreneur. Organizations like WIN, in the Philadelphia region, founded in 1996, and Springboard, a national organization established in 1998 were established to help women effectively raise capital. There have also been angel groups such as Golden Seeds established to support women-owned and/or led businesses – in the belief that women-led high growth potential businesses may be a neglected opportunity.

Networking - Importance



The following responses indicate that survey participants value networking not only for what it can do for their business but for what these women can give back to their business and personal communities. When asked how they perceive their external network in terms of gender, only 5% indicated that their network was mainly women, 28% said mainly men, and 67% said their network was balanced between men and women.

Networking



More than half of respondents participate actively in at least one organization and 41% serve on the Board of Directors for at least one organization. These included a wide range of personal, civic, and business organizations.

ENTREPRENEURIAL ECOSYSTEM

In addition to individuals who were instrumental in the lives of the respondents and their business careers, focus group participants credited a number of regional organizations with valuable assistance and support. These included Ben Franklin Technology Partners, BioAdvance, WIN, and universities. According to one participant, "The best thing about being involved with them is not just the money but that the support continues. I underestimated the network that opens up to you. That ecosystem in the life sciences was hugely important. It gave us credibility, a network, and an outreach that was much more valuable than the sum of its parts."

In 1998, respondents discussed the regional culture and how it impacted their success. From this study, "The provincial and sometimes conservative mindset of established businesses in the region forced these women to seek opportunities elsewhere. One woman speculated that this is likely a barrier for all entrepreneurs in the region, not just women." While this seems to be better, participants felt that there was still room for improvement.

"We need more money around here. It's much more difficult when it's not closer to home and having more regional funds would help." "(We need) more money and more companies. We just don't have the raw materials, although I think it's getting better. (The region doesn't have) an entrepreneurial vibe." On a more positive note, the national BIO conference held in Philadelphia in 2005 "prompted a lot of collaboration and since then there has been a greater effort to get people together. I'm not sure that we're where we need to be but it much better than it used to be," said one focus group respondent.

While being a company in Greater Philadelphia was viewed as advantageous by many of the women, others seemed to be a bit leery of the regional culture and at least one of our respondents mentioned that the West Coast culture may be more motivating. "On the West Coast, people ask 'what are you doing next?' versus 'why are you doing that?' Here people tend to think that working for a big company is a better thing. Here you get tagged with failure; there you get tagged with success. There, failure is considered a learning experience."

"One of the good things that may come out of this economic correction is that people won't think that they're better off in a 'safe' environment," said one participant.

Overall, the news is good. For the most part, the challenges faced by today's business leaders appear to be gender blind. Funding, especially in today's environment, is a real challenge. For all entrepreneurs and business leaders, finding the right people was a challenge in 1998 and remains so today.

But being a woman still matters in the business community and can present specific challenges. Women need to work harder to get credibility with the Board," said one respondent and another, commenting on the global economy said, "The primary problem isn't so much the weight that you carry but rather it may be a social discomfort."

Despite the challenges, their advice for women thinking about starting a venture was, quite simply, "Go for it!" When they commit, people in the ecosystem will commit as well.

"Entrepreneurs come in all different shapes and sizes. Anybody can be an entrepreneur if they're willing to commit, take the risk, work hard, listen, and build a team. People think there is some magic formula but it never lines up perfectly. You have to go for it. Do it for love, not money. The motivation has to be pure."

CONCLUSION

Women have been an important driver in high-growth businesses in the Greater Philadelphia area and represent a significant body of knowledge and experience. Through this survey, we have learned a great deal about this powerful group including:

- Challenges in financing entrepreneurial business remain large.
- Despite these challenges, women leaders in emerging growth companies in our region have successfully raised significant outside capital from investors across the U.S.
- Significant knowledge of and use of various financing strategies are necessary to properly and adequately finance a business. More sources of capital targeting emerging growth businesses are required to create a vibrant entrepreneurial ecosystem in our region.
- The majority of emerging growth companies use outside Boards of some kind and value the assistance the Boards can provide in financing introductions, hiring, partnering, etc.

- These ventures and the resulting companies represent significant job creation both within companies directly and through their utilization of components of entrepreneurial ecosystem (legal, accounting, consulting).
- Our respondents shared strengths that included vision and the ability to motivate people – both internal and external to their organization. These leadership traits are key to business success.
- Our respondents value networking in the entrepreneurial community.
- Our respondents give back to a diverse group of organizations through volunteerism.

Innovative new businesses are recognized as a significant contributor to economic growth. Women have come a long way in the world of emerging growth business but more work is required to support these leaders. The information gained in this survey provides a measure of the progress women have made in the entrepreneurial community and a path towards efforts to aid them in building new companies. These conclusions and initiatives spawned from these results should contribute to the economic success in the Greater Philadelphia region and are likely to have relevance for women leaders of emerging growth companies nationwide.

WIN, Ben Franklin Partners of Southeast Pennsylvania, and the Wharton Small Business Development Center are committed to supporting through education, networking, mentoring, capital and other programs the organizations and the entrepreneurial ecosystems that are increasingly allowing emerging growth-oriented women entrepreneurs to effectively raise capital (debt, grants, and/or equity) and build very fast-growing businesses.

APPENDIX A

Methodology

A several-step methodology was used:

Outreach: Women who have led high-growth potential businesses in the greater Philadelphia region were contacted.

- 10 counties: Bucks, Burlington, Camden, Chester, Delaware, Gloucester, Mercer, Montgomery, New Castle, Philadelphia.
- Outreach was done to and by members and contacts of WIN, Ben Franklin Technology Partners, Wharton Entrepreneurial Programs, Forum for Executive Women, Golden Seeds, and the Wharton Small Business Development Center in the region.
- 106 women registered – many were professionals (lawyers and service providers) important in the regional entrepreneurial ecosystem, but not leaders of high-growth businesses.

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Survey: 64 women leaders of high growth businesses completed a survey

- Survey was developed collaboratively by WIN and Wharton SBDC
- The data collected relate to the key attributes of women, metrics about the businesses they have led, the resources they assembled and leveraged, and the approaches they successfully used.

(Please note. There are a number of tables in which percentages do not add to 100%. This is due to rounding errors. In addition, respondents were not required to answer all questions. Thus the number of respondents may differ among questions.)

Focus Group: 5 women who have raised outside capital, had boards of directors, and led high-growth businesses participated in a focus group. Their comments are included in this report to give perspective to the results of the survey.

Preliminary Report: The fully-analyzed survey results and focus group comments, are presented at a meeting on May 7th 2009 for discussion by the entrepreneurial community

Discussion: On May 7, 2009 women and leaders in the entrepreneurial ecosystem of Great Philadelphia. Gathered to hear and discuss the preliminary analysis of the survey data

Final Report: To be issued, integrating the fully-analyzed survey results, focus group comments, and discussion by the entrepreneurial community.

APPENDIX B

Collaborators

The study has been conceived and propelled by an extraordinary collaboration among Elaine Jones (WIN President and Executive Director, Venture Capital, Pfizer, Inc.), Anne-Marie Corner (Past President, WIN), Ellen Weber (WIN Board and Vice President, Antiphony), Therese Flaherty (WIN Advisory Board and Director, Wharton Small Business Development Center), RoseAnn B. Rosenthal (President and CEO, Ben Franklin Technology Partners of Southeast Pennsylvania and WIN Advisory Board).

Several leaders provided comments and suggestions for improvement: Amy Millman, (Founder & President of Springboard Enterprises), Gwen Martin (Director of Research, Center for Women's Business Research), Monica McGrath (Adjunct Professor of Management, School), Emily Cieri (Managing Director, Wharton Entrepreneurial Programs). Ginny Simon (Project Marketing) provided writing support, and Maria Isabel Ganduglia provided research assistance. Remaining shortcomings remain the responsibility of WIN and the Wharton SBDC.

Funding for the study has been provided directly and with in-kind contributions by WIN, Ben Franklin Technology Partners of Southeast Pennsylvania and the Wharton Small Business Development Center.

APPENDIX C

Sponsoring Organizations



WIN

WIN, founded in 1996, is an organization of women committed to advancing entrepreneurship in the Greater Philadelphia region. WIN is the region's premier organization for women who are leaders of and investors in high-growth businesses, providing education, networking, mentoring, and exposure to investment resources.

www.winwomen.org



Wharton Small Business Development Center (WSBDC)

WSBDC, a division of the Sol C. Snider Entrepreneurial Research Center of Wharton Entrepreneurial Programs, was founded in 1980 and is one of 18 SBDCs in the Commonwealth of Pennsylvania. The WSBDC provides free consulting services to entrepreneurs as well as educational workshops for which we charge a nominal fee. The Wharton SBDC is strongly committed to helping small businesses in the Philadelphia area. While our workshops are open to all, our consulting services are generally limited to for-profit ventures. The Wharton SBDC is located at The Wharton School of the University of Pennsylvania and has been a driving force in the growth of over 20,000 small businesses in just the past decade.

www.whartonsbdc.wharton.upenn.edu



Ben Franklin Technology Partners of Southeastern Pennsylvania

Celebrating our 25th anniversary, BFTP/SEP is the region's catalyst for Stimulating Entrepreneurial Potential. Ben Franklin invests in innovative enterprises and creates commercialization pathways that generate wealth through science and technology. Part of a statewide network in Pennsylvania, BFTP/SEP provides entrepreneurs and established businesses with the Capital, Knowledge and Networks to compete in the global marketplace. BFTP/SEP has provided more than \$130 million to grow more than 1,600 regional enterprises. BFTP/SEP is a founding partner of The Nanotechnology Institute™ (NTI), Mid-Atlantic Nanotechnology Alliance (MANA®), Emerald Stage2 Venture Fund and the Minority Angel Investor Network. BFTP/SEP is part of the Commonwealth of Pennsylvania's Ben Franklin Technology Partnership.

www.sep.benfranklin.org