



EUROPEAN STUDY OF ENTREPRENEURIAL QUALITIES

Summary of Results
2018



BNP PARIBAS
WEALTH MANAGEMENT

**WOMEN
INITIATIVE
FOUNDATION**



INTRODUCTION

GOALS OF THE STUDY AND WHAT'S AT STAKE

The glass ceiling still hasn't been shattered and gender equality is far from being a reality in the workplace, both at SMEs and in international companies. At the Women Initiative Foundation (WIF), our mission is to become a key player in promoting the advancement of women in the workplace and in the economy.

This study, in partnership with BNP Paribas Wealth Management, and with the support of CEDE-ESSEC, was carried out across 3 European countries: France, Germany and Italy.

For companies participating in the study, WIF chose to question both men and women – in total confidentiality, through an online questionnaire. We questioned entrepreneurs under 35 and over 35. The goals of the study were to:

- **Measure the degree of diversity in Entrepreneurship** – in companies generating revenues from €0.5m to €250m;
- **Understand what's preventing women from creating companies;**

STEREOTYPES

The glass ceiling still hasn't been shattered and gender equality is far from being a reality in the workplace, both at SMEs and in international companies.



- **Feed reflection on policies supporting women entrepreneurship** by identifying the most common hurdles women face
- and by comparing differences across the 3 countries;
- **Influence training and mentoring policies** to improve the situation observed by acting upstream

Although similar research already exists, this WIF study is differentiates itself by comparing several European countries, by questioning men and women, and by determining the added value of men and women "working, acting and innovating together".

Our goal is to present the facts observed and dispel stereotypes that endure to objectify situations and lead reflection that can really improve the future.

OUR RESEARCH QUESTION

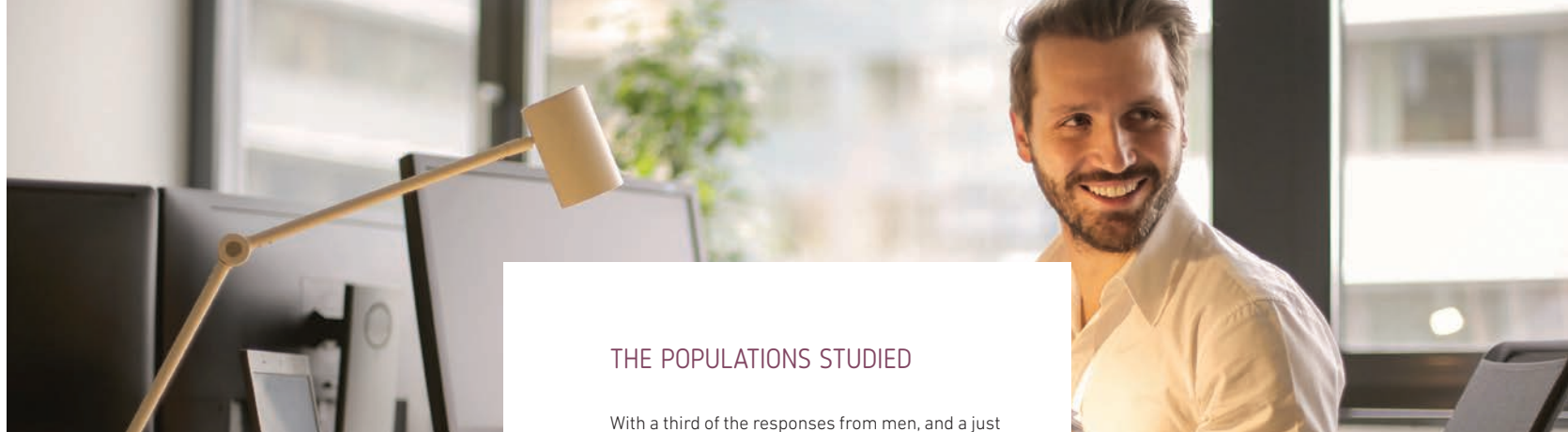
The main goal of this research is **to identify what's holding back entrepreneurs in general and women in particular**, and consequently, **improve gender parity in entrepreneurship**.

Cette étude se démarque d'autres travaux de recherche par certaines caractéristiques innovantes. Nous avons interrogé les intéressés eux-mêmes, **sans aucun filtre** et nous sommes concentrés sur **la différence de perception par tranche d'âge et par sexe**.

The study stands out from other research undertakings by several innovative characteristics. We interviewed the people concerned without any filter, and we analyzed differences in perception by age range and by gender.

We also compare the situation across countries (France, Germany and Italy) when the number of responses allows that, as well as with the results of the BNP Banque privée study, on certain similar or divergent findings that seems the most pertinent to us.

Finally, this research conducted with CEDE-ES-SEC benefits from university validation, thus reinforcing the validity of our results.



THE POPULATIONS STUDIED

With a third of the responses from men, and a just under a third from under 35s (men and women together), the sample offers real interest for studying entrepreneurs' perceptions.

In France, three times as many women entrepreneurs are childless compared to their male counterparts.

However in Italy, 50% of men are childless compared to 24% of the women respondents.

OUR METHODOLOGY

400 respondents (men and women) answered the WIF questionnaire. However the split between countries isn't even, following difficulty in being able to communicate directly with the entrepreneurs:

→ **About 225 responses in France** o/w 74% from women and 26% from men;

→ **About 65 responses In Germany** nearly all from women;

→ **About 110 responses in Italy** o/w 62% from women and 38% from men.

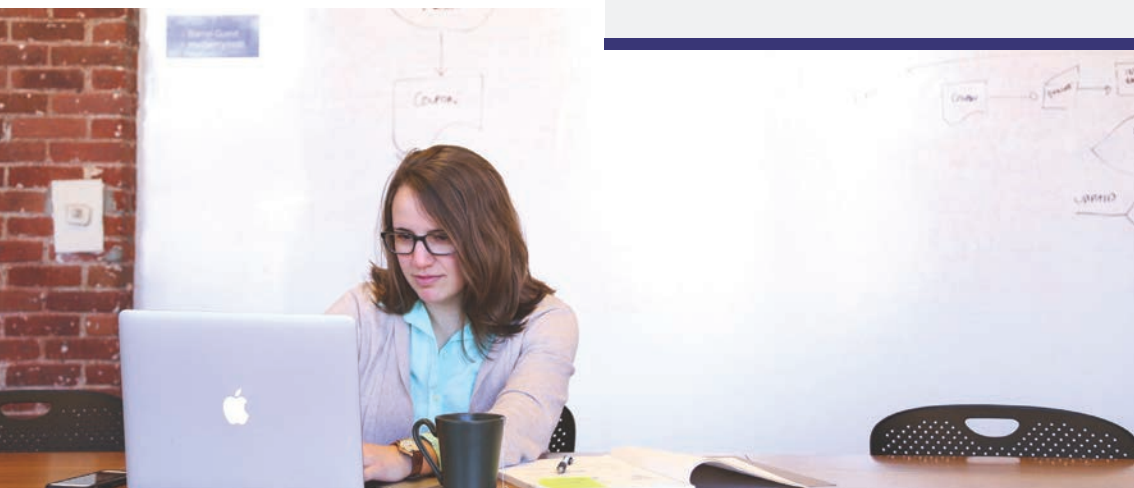
The number and richness of the responses enabled us to conduct an analysis focusing on stereotypes and on the differences in postures adopted and decisions taken by men and women entrepreneurs.

Chart 1:
Age of respondents

UNDER 35		
	Men	Women
France	21 %	22 %
Germany	-	8 %
Italy	21 %	31 %

OVER 35		
	Men	Women
France	79 %	78 %
Germany	-	92 %
Italy	79 %	69 %

Chart 1 gives the breakdown of the population studied. In all 3 countries the marital status of men and women differs: 40% of women are single, compared to just 21% of men, and in Germany the gap broadens with 80% of women being single and childless.



TREND

Women seem to have made a choice between pursuing a career and raising a family

These trends are similar to those found in the WIF study of global companies, published in April 2018. It found that **women seemed to have made a choice between pursuing a career and raising a family.**

As for whether entrepreneurs set up or take over a business, the responses more or less reflect the trends in entrepreneurship in each country over the past 30 years:

- **90% set up their business in France,**
- **80% set up their business in Germany**
- **51% set up their business in Italy.**

Regarding the level of qualifications, **entrepreneurs are highly qualified:** 75% having a Master's degree, MBA or the equivalent. Twice as many male respondents had a PhD compared to their female peers.

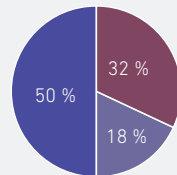
COMPANY PROFILES

Overall, 63% of the companies have at least 10 employees and only 12% have over 50 employees. You might think that these figures reflect a bias in the sample, but the figures published by the

OCDE in 2017 confirm that in France 95% of companies, and in Germany 85% of companies, have less than 10 employees.

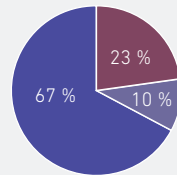
Women generally lead smaller organizations than men..

Chart 2:
Size of the companies lead by male respondents



■ < 10 staff ■ 10 à 50 staff ■ > 50 staff

Size of the companies lead by female respondents

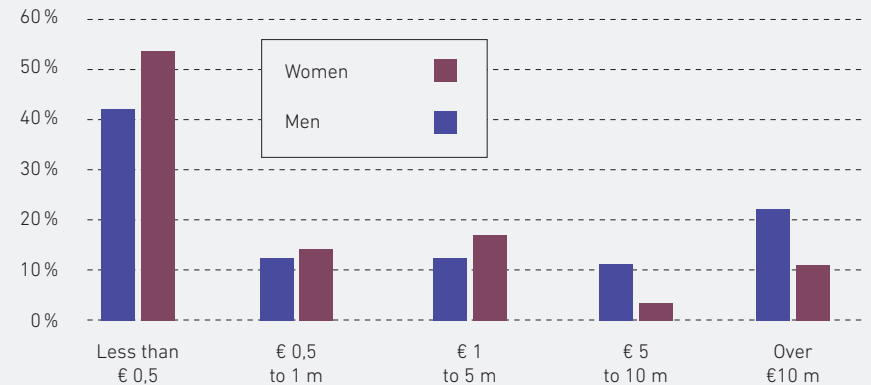


■ < 10 staff ■ 10 à 50 staff ■ > 50 staff

As for the industry respondents work in, **in France most respondents work in consulting (40%), e-commerce and home-help services,** while **in Italy,** the entrepreneurs mostly work **in industry or in the agro-food sector.** Even more interesting is the fact that the origin of Italian companies, often family-run companies, goes back to the early 90's while in France and in Germany, the entrepreneurial boom was between 2011 and 2015.

The breakdown of revenues in 2016 is as follows:

Chart 3:
Breakdown by gender and by annual revenues



In Italy, 40% of women have revenues of €1m to €5m.

This figure reflects the fact that companies tend to be older and larger than in France and Germany.

POPULAR SECTORS

In France most respondents work in consulting (40%), e-commerce and home-help services

The motivations are similar for men and women

RESULTS

The results concern:

- what motivates entrepreneurs and what hurdles they face,
- gender stereotypes,
- perceptions of managerial postures,
- attitudes adopted by men and women faced capital management and 3-year development challenges.

ENTREPRENEURS' MOTIVATIONS

The motivations are quite similar for men and women as chart 4 shows below (average scores from 1 to 5) :



In the three countries, one of the main reasons for starting a business is linked to **a lack of satisfaction with being an employee**, especially for the under 35s.

The second reason, and again, especially for younger entrepreneurs, is **societal engagement. Creating employment and satisfying customers are other strong drivers.**

Finally, our analysis reveals that women decide to start a business after they're 35, while 36% of men took the decision during their studies.

PERCEIVED OBSTACLES TO ENTREPRENEURSHIP

Our questionnaire asked about perceptions of hurdles that could explain the **small number of women entrepreneurs**. Women and men answered these questions. The responses were very similar to the perception of a glass ceiling in large companies.

Same difficulty to dare?

The common hurdle faced by all entrepreneurs in all countries is the **impact of entrepreneurship on family life or the incompatibility of family constraints** with the workload entrepreneurs have. In Italy particular, women mention this obstacle more than men (gap of 20 points).

Women's lack of self-confidence and self-censoring - often cited to explain why women start businesses later on - is mentioned by all women, but more so in France and Germany than in Italy. This reflects the finding in our study on Global corporations where self-censoring is seldom cited by women senior executives in Italy. Two points stand out for French women: 42% of them compared to 17% of men face difficulties in accessing finance. 42% of French women entrepreneurs also think they don't take enough risks - compared with less than 25% in other countries.

When we look at **hurdles faced by all entrepreneurs**, men don't cite an overriding obstacle, even if financial concerns are obviously mentioned: **the need for financing, the fear of lower income, fear of failure, family constraints.**

In Italy, entrepreneurs also mention a unfavorable business environment.

Finally, very few entrepreneurs say they're disappointed with their daily lot.

The common hurdle faced by all entrepreneurs, in all countries, is the impact of entrepreneurship on family life or the burden of family constraints

Men and women have similar stereotypes in the 3 countries



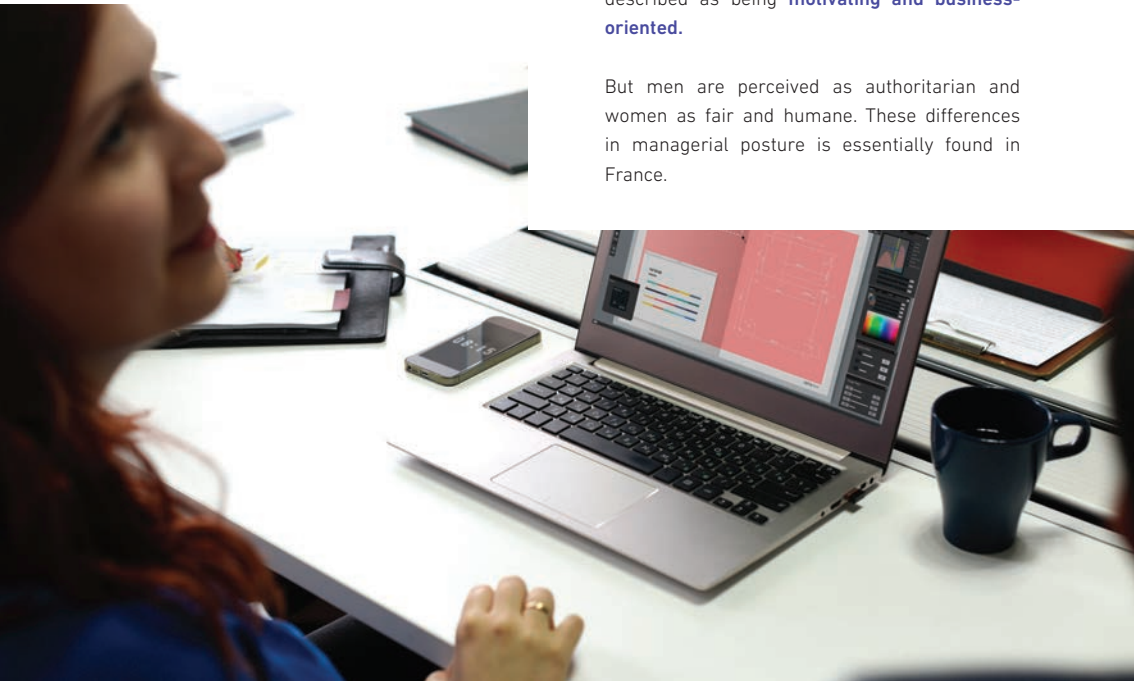
GENDER STEREOTYPES

Stereotypes were measured by presenting a set list of 13 words; respondents ticked one or several words to answer the questions, "Would you say that you are..." and "In general, women/ men are...".

It turns out that **men and women have very similar stereotypes in the 3 countries** - as in global corporations.

However, **there is no feeling that women behave like men when they become entrepreneurs** as exists in large companies in France when women climb the corporate ladder.

The main difference in the perception of men and women is the characteristic women attribute to women entrepreneurs (yet not perceived by men): **they're seen as being tenacious**. This could come from the fact than women perceive more obstacles to entrepreneurship than men, so those that overcome them are particularly tenacious.



In the 3 countries, women are perceived as being tenacious, **pragmatic and good at listening to their teams**.

They are neither politically-minded nor authoritarian. And again (see the obstacles above) only French women are perceived as being less confident of themselves and in their decisions.

On the contrary, women see entrepreneurs as being sure of themselves and of their decisions.

Men describe themselves as being strategic and see women as being intuitive.

When we ask entrepreneurs to describe themselves, men and women use almost exactly the same terms. This would suggest that there is an entrepreneur profile beyond gender. Moreover this profile is similar to stereotypes of women, but different from stereotypes on men.

The stereotype for example speaks of authoritarian, poor listeners – which most men don't see themselves as.

The results would imply that **women in particular have an image of a sort of mythical male entrepreneur: political-minded, strategic, self-confident, confident in his decisions and not given to listening to others.**

MANAGERIAL POSTURE

It is above all women who see differences in male and female management.

This myth, far removed from the way women are, doesn't reflect the way men are either. **Male entrepreneurs describe themselves as being pragmatic, tenacious and good listeners.**

This vision women have can explain why some women self-censor in entrepreneurship and have less confidence in themselves.

GENDER-SPECIFIC MANAGERIAL POSTURES

The survey proposed ten managerial qualities and asked respondents to give a score from 1 to 5. The average scores are in chart 5.

Women and men's managerial practices are described as being **motivating and business-oriented**.

But men are perceived as authoritarian and women as fair and humane. These differences in managerial posture is essentially found in France.

Chart 5:
Perception of entrepreneurs as managers

	Women	Men
Authoritarian	2,4	3,4
Consensual	3,3	2,9
Motivating	3,8	3,2
Fair and humane	3,9	3,0
Business-oriented	3,8	3,8
Demotivating	1,6	2,3
Influencable	2,3	2,4
Communicates clearly	3,4	2,8
Intuitive	3,2	2,6
Risk-adverse	2,7	2,6

Analyzing the scores in depth reveals that **it is above all women who see differences in male and female management**. Women find men authoritarian and business-oriented. Men on the other hand, describe the way men and women manage in the same way.

ATTITUDES TO CAPITAL MANAGEMENT AND 3-YEAR DEVELOPMENT

On the question of managing capital, the gender gap is significant. Women:

- prefer to keep control of the capital
- seem to partner less with other entrepreneurs
- don't easily envisage mergers/ acquisitions for growth.

The entrepreneurs were also questioned about their 3-year development strategy.

Chart 6:
Your 3 year forecasts

	% of Yes for men	% of Yes for women
Acquisition planned	40 %	31 %
Capital increase	58 %	56 %
Creating subsidiaries	45 %	34 %
Creating franchises	25 %	26 %
Product diversification	77 %	82 %

ATTITUDES

On the question of managing capital, the gender gap is significant.

The data in chart 6 shows little gender difference in the entrepreneurs' forecasts.

Perspectives for international development don't differ with gender, however **the level of education can lead to a slight bias, as PhD holders are more attracted to the USA.**

Moreover the presence of private equity in the capital of respondents' companies is lower in France and in Italy than in Germany, even if the data needs to be analyzed carefully. There is clearly **a strong correlation between the sector and the presence of private equity**: some sectors attract more than others, apparently due to the socioeconomic context (notably the digital economy, e-commerce, and cutting-edge technologies). Responses show that 2 variables are impacted by the presence of private investment in the capital:

12

→ Entrepreneurs are twice as likely to have a stake in the capital with other partners, in addition to the private equity;



→ The 3-year development strategies include acquisitions, creating subsidiaries or international development in most cases.

FOCUS ON THE IMPACT OF GENDER, NOTABLY IN FRANCE

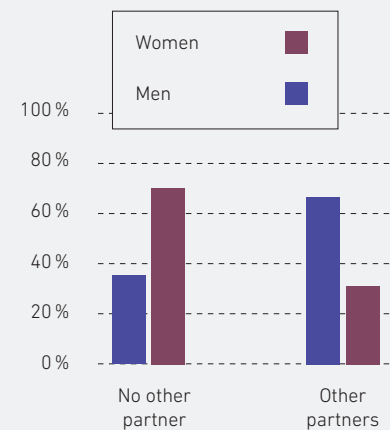
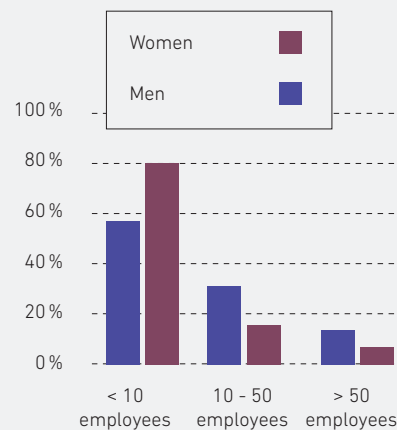
In France, the smallest companies are generally managed by women, who are also 5 times more present in the solidarity-based economy. Moreover women partner less than their male peers. In all 3 countries, **women are more cautious in their investments and prefer taking out a 3 to 5 year loan.**

Women speak more openly about what holds them back in their entrepreneurial undertaking: **fear of earning less, fear of failure, and family constraints.** Support from their entourage is more important for women than for men. Finally, concerning stereotypes, their perception is not so far from reality, with the exception of the intuition that women believe they possess, but which is rarely mentioned by all the respondents.



However, men see themselves as being pragmatic and good at listening to their teams, while all respondents perceive them as being ambitious, authoritarian and not good listeners.

Chart 7: Companies in France



13

IMPACT OF GENDER IN FRANCE

Women are more cautious in their investments. However, men see themselves as being pragmatic and good at listening to their teams

CONCLUSION

We have presented a summary of the main findings and lessons learnt from the study on stereotypes and the perception of entrepreneurs' qualities.

Detailed results are accessible on our website <http://women-initiative-foundation.com/fr/accueil/>.

The conclusion concerning stereotypes are as follows:

Men and women have very similar stereotypes in the 3 countries.

→ Women entrepreneurs have an image of a sort of mythical male entrepreneur, which could generate the observed lack of self-confidence.

→ It seems that women have a different relationship with capital than men: they want to keep control of it more often.

→ Finally, when there's private equity in the capital, managerial postures and decisions about growth strategies can be significantly impacted.

WIF'S PROPOSALS

Following this research, WIF proposes to **reinforce its pro-bono mentoring program with input on financial and growth policies**.

The program could promote the positive qualities observed in the different countries by seeking the drivers that create the differences.

A second proposal concerns **training programs in entrepreneurship** which are included in many business school and engineering school curricula: focus the lectures less on fund-raising, – which happens naturally if the business model is viable

– and **propose a sort of Entrepreneurship Erasmus program** so that the entrepreneurship module would allow students **to discover different European contexts**.

WIF'S RECOMMENDATIONS

→ **Continue to broaden this study by comparing the situation in America and in Canada, with the goal of defining best practice for developing women entrepreneurship.**

→ **Reinforce its pro-bono mentoring program with input on financial and growth policies.** The program could promote the positive qualities observed in the different countries by seeking the drivers that create the differences.

→ **Feed institutional reflection, and within notably financial institutions, on policies supporting women entrepreneurship.**

This happens when investors are more supportive of projects presented by women entrepreneurs, and when dedicated investment funds are created.

→ **Provide by high-level training on strategy to help entrepreneurs with growing companies to develop their leadership** and their networks – both in France and internationally – so that they create opportunities and synergies.

→ **Finally, propose a sort of Entrepreneurship Erasmus program** to complete entrepreneurship training modules which are included in many business school and engineering school curricula, to discover and be inspired by different European contexts.

ABOUT THE WOMEN INITIATIVE FOUNDATION (WIF)

Founded in 2016, WIF brings together, organizes and leads its Global Circle Network, a vast network made up of mentees and mentors, strategic partners, company leaders, experts and friends across France, the rest of Europe and in the United States.

WIF encourages the promotion of women in the world of business and the economy in general. WIF's mission is to become a think tank and to speak out in favour of gender diversity, and for the respect and recognition of women in business

Beyond its philanthropic sponsorship, WIF conducts research on these themes with Pan-European studies and reports, several publications and university programs such as one developed at Stanford with BNP Paribas. In mid-2017, having successfully run a volunteer support program for women entrepreneurs of growing companies, WIF launched a transatlantic program for both French entrepreneurs wishing to develop their business in the United States, with the support of an American mentor – and American entrepreneurs wishing to set up in Europe, with the help of a European mentor.

<http://women-initiative-foundation.com>

ABOUT BNP PARIBAS WEALTH MANAGEMENT

BNP Paribas Wealth Management is a leading global private bank. With €362bn in Assets under Management as of March 2018 and 6,800 professionals in 3 hubs (Europe, Asia, USA), BNP Paribas Wealth Management ranks 1st in the Eurozone.

BNP Paribas Wealth Management already applies and encourages a number of our recommendations, for example its program dedicated top women entrepreneurs on Stanford University's campus, the French initiative " #ConnectHers" and "Women Inspiring Future" in Belgium. Finally BNP Paribas' Global Prize for Women Entrepreneurs rewards exceptional achievements since 2017

<https://wealthmanagement.bnpparibas>

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