



Women in Business

QUANTITATIVE RESEARCH

November, 2012

I. Methodology

<u>SELECTION:</u>	200 Latvian entrepreneurs - business women (company owners and managers); Used source for the selection - "Lursoft" database.
<u>METHOD:</u>	Interviews by phone.
<u>PERIOD OF INTERVIEWS:</u>	06.11.2012 – 26.11.2012

II. Main conclusions

1. Business environment in Latvia

- ❖ Almost half of respondents - business women (45%) have described business environment as neutral.
- ❖ 38% of respondents - business women have described business environment in Latvia as unfavourable and disturbing for business development. Main arguments supporting this view are as follows – *High taxes/ tax policy; Bothering and heavy bureaucracy; Low purchasing capacity.*
- ❖ Positive point of view (“advantageous, contributing for business development”) was supported by 14% respondents-business women. Most common argument supporting this view - *a wide range of business opportunities available.*
- ❖ Comparing to results of 2007 research, business environment this year was evaluated mostly as neutral, rarely just negative or positive.

2. Woman in Business.

- ❖ **More than a half of respondents-business women (52%) represented a point of view that starting of own businesses is as hard as 5 years before. 27% consider that in comparison with situation 5 years ago, it is easier to start own businesses. Opposite point of view (it is harder to start own business) was supported rather rarely – around 15% of interviewed respondents.**
- ❖ **In comparison with 2007 research results this point of view - it is harder to start own business as 5 years before–was supported significantly rarely this year.**
- ❖ **Analysis of research results points out certain tendencies:**
 - **The more recently business has been started the most often following point of view has been represented – it is easier for woman to start own business now than 5 years ago. It testifies that women who have started own business in last years period most often have not faced serious problems at this stage (starting own businesses).**
 - **Possibilities and conditions for starting own business have been evaluated more favourable in Riga and closest area around capital city than in other regions in Latvia.**
- ❖ **Dominant part of respondents-business women (94%) couldn't name any obstacles of legal regulations in entrepreneurship for women particularly. Specific answers given were as follow – Woman role in the family; Small child care aids.**

- ❖ **According to survey results - high taxes - convincingly has been named as most topical problem in business.**
 - ✓ **Three quarters of respondents-business women (80%) have named this problem (high taxes) as very serious or rather serious and topical problem;**
 - ✓ **It was named as a main problem in entrepreneurship for more than a quarter of respondents (27%);**
 - ✓ **High taxes - the only factor amongst three most significant problems hindering expansion and development of business what was named by majority of respondents-business women (62%).**

- ❖ **As important and actual problems for a significant part of entrepreneurs-business women were listed as follow:**
 - **Large number of controlling institutions/formal nature of control events;**
 - **Competition;**
 - **Difficulties and problems of future development of business;**
 - **Lack of qualified staff;**
 - **Legislation problems/ lack of appropriate and applicable normative acts/laws;**
 - **Realization problems of own products/services.**

- ❖ In comparison with 2007 survey results following topics arose:
 - ✓ Lack of qualified employees;
 - ✓ Availability problems for loans/financial sources;
 - ✓ Realization problems (of own products/services);
 - ✓ Dishonest business partners and customers;
 - ✓ Payment delays for given services/product realization.

- ❖ Almost every second of business woman interviewed has noted (49%) that they've faced really serious problems and difficulties in development and expansion phase particularly. A little bit less of respondents (41%) stated that exactly first three years of new-born company was most complex for them.

- ❖ Research results has marked a trend – the bigger company is the most often an opinion that most serious problems and difficulties were faced in development and expansion phase - was supported.

- ❖ Most significant motives to start own business for woman are as follow (mentioned by more than 80% of respondents):
 - A chance to do things what you like;
 - Self realization;
 - Independence;
 - A possibility to do own thing/own business;
 - Ability to support own family.

- ❖ **Company development as positive (for the past two years period) have been evaluated by 41,5% of respondents-business women. Most common used arguments were – *Economy development improves; Successful company development/ own work done; Number of customers is increasing; Gained customer trust/segmented range of customers.***
- ❖ **Rather critical assessment was given by 19% of respondents. Most often following arguments were given- *Low purchasing power/ dependence on the financial opportunities; Tax burden/ high taxes; Bad economical situation in the country.***
- ❖ **28% of respondents admitted that economical situation in their companies hasn't changed significantly. Arguments supporting this point of view were – *lack of customers; High taxes/ Tax burden; No/wasn't need/wish to expand own businesses.***
- ❖ **In comparison with 2007 survey results the economical improvement of the company as positive was evaluated significantly rarely this year (in 2012 - 41,5%; in 2007 - 61%).**
- ❖ **Several tendencies have been marked out of the survey:**
 - **The older the company the more critical assessment to economical situation of the company has been given.**
 - **More positive assessment for this aspect (economical development of the company) was given in Riga and closest area around the capital city than in other regions of Latvia.**

- ❖ **Availability of financial support has been evaluated as critical by the majority of respondents-business women (58%). Opposite point of view (financial support is accessible easily or rather easily) was represented by 24% of respondents.**
- ❖ **Owners/managers of small and middle enterprises supports most critical evaluation of availability of financial support than representatives of bigger companies.**
- ❖ **Most significant financial resources marked as follow:**
 - **EU structural funds (mentioned by 53,5% of respondents);**
 - **Personal savings (50%);**
 - **Loans/bank credits(45%);**
 - **Supporting programmes for entrepreneurship (38%);**
 - **Experienced business partner (36%);**
 - **Relatives/Friends/Acquaintances (31%).**
- ❖ **In comparison with 2007 survey results bank credits (loans) was mentioned rather rare as possible source of financial resources for the company development. Other possible sources of financial resources were mentioned more often.**

3. Business support programmes.

- ❖ Majority of respondents (57%) have used or still are using business support programmes for the development of own company (financial and/or non-financial).
- ❖ Now some of business supporting programmes are being used only by 15% respondents-business women.
- ❖ Analysis of survey results points out that those women who have started own business in last few years are using business support programmes more often than businesswomen who have started their businesses earlier.
- ❖ Overall 27% of respondents are going to use some of business support programmes.
- ❖ According to survey results most popular business support programmes are:
 - Training programs (have used/or plan to use 38% businesswomen);
 - Mentoring programs (35%);
 - Support programs by Employment State Agency (29%);
 - Support programmes by Latvian Investment and Development Agency (24%);
 - Support programs by Mortgage and Land bank of Latvia (18%).

- ❖ **All business support programs in most of the cases were evaluated positively – more than 70% of programs participants are satisfied with the programs.**
- ❖ **Critical assessments were received (20% - 27%) about support programs provided by Rural Support Service, Latvian Investment and Development Agency, Mortgage and Land bank of Latvia.**
- ❖ **Most crucial barrier pointed out regarding to business support programs – too complicated bureaucracy. This aspect was marked out as most significant problem when talking about the usage of business support programs as well as evaluating or measuring particular and specific business support programme. Often the following aspect was pointed out - too complex application process and document preparation as well as difficult processes of solving financial issues.**
- ❖ **As crucial shortage of business support programmes was mentioned – by purpose made complicated financial flow processes (you have to have own assets as anticipated assets are being allocated/returned later, sometimes you have to wait for a very long time) as well as lack of knowledgeable experts/lecturers/specialists within programs. As crucial shortage related to business support programs - lack of information was stressed out quite often.**

4. Social and demographic profile of businesswomen and description of the enterprise.

- ❖ **Year of Business Launch.** Major part of respondents-business women (52%) have started their businesses after 2005 (in 2006 – 2007 most).
- ❖ **Number of employees in the company.** Most of cases (75%) companies with up to 5 employees.
- ❖ **Scope of the company.** Majority of cases - Finances/Banks/Insurance (19%); Trade (15%); Industry (13%); Education/Science (7%).
- ❖ **Age.** Major part of respondents (55%) are in age from 31 to 45 years old.
- ❖ **Nationality.** Latvian – 84%.
- ❖ **Children.** More that a half of respondents (56%) have children.
- ❖ **Education.** Higher education – 83% of respondents-business women. 18,5% of respondents-business women have attended training programs abroad during past 3 years.
- ❖ **Language knowledge.** Russian – 98%, English – 89%, German – 20%.
- ❖ **Family Members.** For most of respondents (76%) from 2 to 4.
- ❖ **Marital Status.** 67% married or in relationship.