

## Against All Odds - Women Excelling in Business

### Challenges in the Business World



Owning and running a business of any size is a difficult endeavour. There are many obstacles and challenges that are bound to pop up. For example, product shortages, shipping problems and keeping the client happy. It certainly takes a strong mind and constitution to handle the ups and downs of owning a business.

According to a study by Arthur Anderson, business owners feel that the most significant obstacles to running a business is finding and keeping competent employees<sup>1</sup>. A business, no matter how innovative its product or services cannot properly function without knowledgeable, dedicated and hard-working representatives. A good employee is the hardihood of any company. Employees are the front line between the client and the company's vision. A company needs to know where to look, what types of questions to ask in an interview and what sorts of answers to listen for.

Another challenge a business owner faces is creating up with and maintaining a clear vision for the company. Not only must a company's goal be clear and concise, it must also be long term and flexible. The vision must be clear so that the client does not have to work hard to understand what your company stands for. When the customer has a clear picture of your company, they are more likely to put their trust in your brand, thus, increasing the likelihood of them becoming a loyal client. The vision must be long term because it gives the company something to work toward. Long term goals help set the company up to make decisions that benefits its future. The business's goal must also be flexible because as time passes a product must be able to evolve to meet the ever-changing needs of the customer.

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<sup>1</sup> Isidro (2000). The Challenges Facing Small Businesses. Power Home Biz. Web.

In recent years, running and owning a business has been even more difficult due to the recession which created economic uncertainty.<sup>2</sup> As Thomas Cooley explains in his 2010 Forbes article, today's economy's recovery from recession into sustainability is "fragile."<sup>3</sup> Business owners have to be careful to understand the market their product or service falls into. It is imperative for the company to be aware of their market's regular rise and fall so that it can be prepared if the economy takes an irregular downturn. This is, again, why good employees are so important. Loyal employees will understand that during economic instability a company may need to make temporary changes.

Because of the current economic uncertainty, gaining access to adequate capital is a concern for business owners. Business owners need capital to expand their company, to market and advertise their product or service and to gain new clients. In today's world, banks and investors are more hesitant to back new companies and new ideas for fear that the economy will fall and their investment will be lost. Difficulty gaining capital can make contending with the dynamic world of technology very complicated. It is now necessary for companies to make technologies, such as social networking, an integral part of their business plan. For business owners who are not familiar with such things, becoming knowledgeable about how to successfully implement social networking and online advertising can be extremely difficult. What's more, a company that has trouble accessing capital, hiring consultants to educate its employees may be out of reach which means many business and companies are left to muddle through this learning experience on their own.

Women owned businesses face all the same challenges as businesses owned by men but they also face unique challenges. Jenna Goudreau, a writer for *The Next Women Business Magazine*, says that "women owned firms account for [forty percent] of all privately held firms" and they "employ more than [thirteen] million people [but] .... Most of these businesses ... have revenues below the million-dollar mark"<sup>4</sup> which is, on average, "[twenty-seven percent] ... of [the] majority [of] men-owned businesses."<sup>5</sup> This may be due to the specific obstacles women face in the business world.

One of the problems women face are stereotypes. Though men face stereotypes in the world of business as well, these are generally positive characterizations. For example, men are often described as ferocious, unrelenting, dedicated, rugged and courageous. Women, however, are often not taken seriously because the stereotypes that face them are not so positive. These types of stereotypes are

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<sup>2</sup>Isidro (2000). The Challenges Facing Small Businesses. Power Home Biz. Web.

<sup>3</sup>Cooley (2010). The Cure of Economic Uncertainty: Fiscal Austerity is not the Problem. Forges. Web.

<sup>4</sup>Goudreau (2011). Top Five Tips for Women Small Business Owners. The Next Women Business Magazine. Web.

<sup>5</sup>Hadary (2010) Why are Women-Owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

damaging to the growth and maintenance of a business. It creates skewed perceptions and lowers the expectations investors have of women-owned businesses. Women are viewed as soft and fragile. There is a perception that women don't have the inner strength necessary to handle the high stress environment of the business world.

Many women who start businesses do so later in life than men because, although times have changed, women are most often still the primary caregivers for children. Many women, who have been the primary childcare providers for years, start businesses as a way to challenge themselves and to "integrate work and family."<sup>6</sup> Women see owning their own business as a successful way to balance a career and a home life. They often want to keep their companies at a size where they can personally oversee all aspects of the business<sup>7</sup> which can lead to problems of short-sightedness and a failure to plan for the long term. This may become a problem if the economy changes or there is a change in demand. In fact, research shows that the only statistically significant predictor of business growth is....the entrepreneur's goal for growth<sup>8</sup> which means that a business, according to statistics, may not grow if an entrepreneur does not plan for the future.

Women, on average, though often better at building relationships than men, are hesitant to form relationships with banks as they often see debt as a negative. Men, on the other hand often view debt as a necessary part of business. Women look to family and friends as investors instead of banks. This could "explain to a great degree why more women don't seek more sophisticated forms of financial products and services."<sup>9</sup> What's more, research shows that many women who own businesses "believe they would not get credit even if they applied" which "feeds the perception that [women] are not serious about growth."<sup>10</sup> In order for these negative perceptions and stereotypes to be converted into positive ones, women must swallow their hesitations about obtaining debt in order to grow the business, and change their mindsets regarding banks so that they can take the first step towards change. This change must come about so that the rest of the business world will begin to see them as truly committed to their company.

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<sup>6</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

<sup>7</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

<sup>8</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

<sup>9</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

<sup>10</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

Men and women, it has been said, think and act differently. In fact, men's and women's brains are chemically made up differently. This means that men and women "have different values, priorities and habits. They play by different rules."<sup>11</sup> That is to say that men and women use their brains in different ways. Some of these differences give men and women different strengths when it comes to owning and running a business. For women, these skills include the ability to form friendships, creating large social networks, more communication and expressing one's emotions, and excellent peripheral vision.



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A woman's ability to form solid friendships is beneficial in the business world. It allows companies to maintain long-lasting relationships with clients; however, the way in which men and women do this differs. For men, clients represent the hunt – the end goal. The relationship a man forms with his client is based on how they can be mutually beneficial to each other. Women on the other hand, strive to be friends with their clients above and beyond the benefits the relationship could bring. Though both outlooks are successful, forming a friendship beyond a business connection creates an opportunity to expand the company's social network, thus increasing the company's opportunities to be successful.

Because women are such good relationship builders, creating a large social network is also often one of their strengths. A social network is an important asset to any company. A social network is important because it aids a company in "obtain[ing] and retain[ing] clients."<sup>12</sup> Networking helps a business owner meet new people. These new acquaintances could either know a potential client or be one themselves. As mentioned before, a business must always have a long-term vision, which usually includes a plan for growth. Thus, networking is an inevitable part of owning and running a

<sup>11</sup> (2010) Men and Women: Differences. People Relationships. Web.

<sup>12</sup> Feliz (2010) Networking: Why It's Important and How to do it Better. Admixweb. Web.

successful business. Not only is networking important for building a client base but it is also imperative for building a base of contacts – people in the company’s field who are reliable.<sup>13</sup>

Maintaining solid relationships and social networks requires a clear head and concise communication as well as the ability to see and manage the environment around you. On average, women “speak three times more than men.”<sup>14</sup> Of course, more words does not always mean better communication, however, because women see the situation as a whole instead of simply being purpose driven, they are better able to express themselves clearly and concisely.<sup>15</sup> Because of all these things, women have specific advantages in the world of business.

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<sup>13</sup> Feliz (2010) Networking: Why It’s Important and How to do it Better. Admixweb. Web.

<sup>14</sup> (2006) Women Speak Three Times More Than Men. Women’s Passions. Web.

<sup>15</sup> Blend (2006) About Gender: Sex Differences. Gender. Web.

## Types of Businesses Where Women Excel



Women who recognize their strengths and harness their potential have the possibility making their company highly successful. Yet, it is clear that women in the business world are faced with a unique set of challenges and are also equipped with particular advantages. Women face pre-established, negative perceptions and stereotypes. As business owners, they often neglect to have a long-term business plan and do not account for growth. They are also usually hesitant to incur debt, even if it might potentially further their success. Women are excellent relationship and social network constructors, are clear and concise when communicating and are

formidable when it comes to managing their environment.

The business world is a large place and each area comes with its own challenges. It might be worthwhile to take a look at three such areas and a specific part of each one. For example, women understand the importance of interpersonal skills to effectively managing a company. Interpersonal skills such as communication, verbal and non-verbal, ease in forming friendships, delegation and leadership are paramount to expertly managing a business.

When it comes to women-owned businesses, most women often choose to start a production retail business. Many women often choose to become an entrepreneur in a production as opposed to distribution or other types of businesses. These companies provide benefits for owners who wish to maintain a balance between home and work.

Also, women make exceptional lawyers in negotiation situations. Lawyers in any type of situation must have the ability to maintain a cool head regardless of how heated an environment may get. They must be able to keep their eyes and ears open not just to reach the end goal but also to maintain all other details as well. When one pictures a lawyer the image that comes to mind is someone who is good at verbal communication – someone who can express the details of a case in a way that

persuades a judge and jury, however, a lawyer must also be an excellent listener. A lawyer must be able to listen actively to their colleagues and their clients.

These areas of the business world, while separate, clearly share many skills. For example, social skills are necessary in order to be a manager, to be a production retail company owner and also to be a successful lawyer, especially in negotiation situations. By examining these three areas one can gain a clearer understanding of how women can and are excelling.

### **The Importance of Interpersonal Skills to Managing a Company**

A distribution retail business, such as Buy Rolls.com, buys a product from a producer and then sells it, for a profit, to a consumer. To be able to run a business such as this successfully one must have efficient managerial skills. Meaning, a manager of a distribution retail business must have exemplary interpersonal abilities and the ability to manage one's environment while still getting the job done.

Because nothing is more important to the survival of a company than the relationship between its workers and its manager, it is of uttermost importance that a business finds a manager who has the ability to be an excellent communicator, make friends easily, delegate tasks efficiently and has no trouble making decisions. "Interpersonal skills [like these] are the 'Master Key' to [the] success of any organization"<sup>16</sup>

and so a business would do well to find a woman who can manage all these things well. A female often makes a successful manager because she is biologically prepared to excel in these areas.

The key to being a good manager is good listening skills. One cannot delegate, lead or form solid relationships if one does not pay attention to all forms of communication. One must pay attention to both verbal, as in tone of voice, word choice and responsiveness, as well as non-verbal communication. Non-verbal conversation can be anything from gestures to body positioning to facial expressions. Women use both sides of their brain for language and communication. Because of this,



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<sup>16</sup> (2011) Interpersonal Skills of Men and Women in Health-care Sector. Content Writer. Web.

they have the potential to be very skilful managers.<sup>17</sup> Because women's brains dedicate a large portion of their focus to communication, they have the propensity to make others feel that they are tuned in to what they are saying and that they are being heard. If people feel they are being heard they are more likely to trust and respect the person listening to them. Good communication provides a basis for mutual respect from which both men and women can work.

Because women are admirable listeners and communicators they would certainly be in tune with the needs of their employees. When managers start with a base of mutual respect it is easier to manage the needs of their employees. If employees feel that their needs are being looked after, the relationship between manager and employee can only be strengthened. And, as many studies have suggested, a women's first intention is to build relationships with those around them. If all these parts work together – interpersonal skills, managing employees needs and mutual respect – a company has a much better chance of success.

### **Production Retail - Balancing Work and Home**



A production retail business is responsible for both making and selling products. It does not work with a middleman. This type of business controls who its customers are, the cost of its products as well as maintain the quality of its products. Because of the way this type of company does business, a production retail business works directly with the customer. For example, a company like Maxwell Scott, which makes “quality luxury leather handbags, briefcases, luggage and accessories,”<sup>18</sup>

makes one product, and makes it well, and they then sell this product to specific niche of customers. This type of business is especially appealing to women. A business like this is enticing to women for three reasons: first, a production retail business allows its owner to oversee the business and its employees; second, it aids in balancing work and home life and lastly, it presents owners with a way to challenge themselves on an ongoing basis.

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<sup>17</sup> (2000) Men and Women Shown to Hear Differently. Medscape News Today. Web.

<sup>18</sup> (2011) Handmade in Italy by Master Craftsmen – Often Copied but Never Matched. Maxwell Scott. Web.

Women who become entrepreneurs most often start production retail businesses. They do this because they want to “be personally challenged.”<sup>19</sup> Historically, women have been the primary childcare providers in the household and “while more and more employers are making efforts to accommodate [parents] with child raising responsibilities, some women must put their own careers on hold to fulfill parenthood obligations”<sup>20</sup> which means that many women are not able to become much of their lives, may start a business as a new way of expressing their individuality and also as a way of contributing to the household’s finances. A production business provides a new outlet for creative energy that had been previously engaged in rearing small children.

A production retail business provides an owner with a way to balance work and home life. This type of business can often be integrated into the home so that an owner does not have to spend unnecessary time traveling. This type of business also allows an entrepreneur to manage the hours they work. This means that a woman, who is also a primary childcare provider, can decide when and where they work.

On the topic of balance, a production retail business provides its owner with a better vantage point for keeping the company at equilibrium. A business owner in this venue can be personally involved in fulfilling its employees' needs and the needs of the company. This is especially true if, as is common with female business owners, the company is kept small. A company such as this allows an entrepreneur to maintain creative control so that the customers’ needs are fully met and the company can continue putting out high quality products.

## **Negotiation - Women in the Legal World**

A good lawyer must have excellent social skills. In other words, a successful lawyer must always keep the bottom line in view while also keeping everything else under control at the same time. And, last but not least, a lawyer must be able to mediate and negotiate in difficult situations. It is the responsibility of a company like Jlegal, a “global recruitment consultancy [that] recruit[s] lawyers at all levels for the majority of the leading US, UK and Australian law firms,”<sup>21</sup> to find lawyers who have all of these traits. A company such as this would certainly be on the lookout for female lawyers to aid in negotiation cases.

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<sup>19</sup> Hadary (2010) Why are Women-owned Firms Smaller than Men-owned Ones? The Wall Street Journal. Web.

<sup>20</sup> Crymble (2010) Women-owned Businesses. Business Owner Magazine. Web.

<sup>21</sup> Who We Are (2011) Jlegal: Your Global Recruitment Partner. Web.

Women, on average, have an enhanced ability to keep the end goal in focus awhile at the same time managing the environment around them. In other words: “[a] man, when he undertakes a journey, has, in general, the end in view; a woman thinks more of the incidental occurrences, the strange things that may possibly occur on the road.”<sup>22</sup> In



this way, Jlegal provides “targeted [but] responsive service.”<sup>23</sup> Susan Vandyke of *Vandyke: Marketing and Communications* suggests that a successful lawyer must be targeted on their clients and the cases they have on the go but also be aware of “the bottom line ... for your individual practice and the whole firm.”<sup>24</sup>

“Women-owned firms account for [forty percent] of all privately held firms, employ more than [thirteen] million people and generate [one point nine] trillion in sales, according to the National Association for Women Business Owners”;<sup>25</sup> this may be due to the fact that women, aside from being able to successfully manage many details at once, are also accomplished relationship builders. Building relationships is important in the legal field because it can help “send business your way.”<sup>26</sup> Sharon Hadary, of *The Wall Street Journal*, claims that “women are naturally better relationship builders than men”<sup>27</sup> which could explain why women make great lawyers. Susan Vandyke explains that, if a lawyer wants to be a success, they must “ensure each person understands their role and give them the authority to fulfill their responsibility,”<sup>28</sup> so that the team and clients feel respected. When people feel respected they are more likely to be forthcoming with opinions, ideas and information.

Women are excellent mediators. In the courtroom, discovery sessions or other meetings, female lawyers are better prepared to keep the emotional temperature at a manageable level. This way, information flows more smoothly than when emotions run high. Because women have excellent

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<sup>22</sup> Wollstonecraft (1996) *Observations on the State of Degradation to Which Woman is Reduced by Various Causes*. A Vindication of the Rights of Woman. Print.

<sup>23</sup> Who We Are (2011) Jlegal: Your Global Recruitment Partner. Web.

<sup>24</sup> Vandyke (2010) *The Successful Lawyer’s to-do List, Part II*. Vandyke: Marketing and Communications. Web.

<sup>25</sup> Goudreau (2011) *Top Five Tips for Women Small Business Owners*. *The Next Woman Business Magazine*. Web.

<sup>26</sup> Abrams (2001) *Successful Retail Strategies*. Inc. Web.

<sup>27</sup> Hadary (2010) *Why are Women-owned Firms Smaller than Men-owned Ones?* *The Wall Street Journal*. Web.

<sup>28</sup> Vandyke (2010) *The Successful Lawyers to-do List*. Vandyke: Marketing and Communications. Web.

interpersonal skills, they “take time to understand how [their] messages are received” which means taking into consideration “tone of voice, body language [and] choice of words.”<sup>29</sup>

Hiring a female lawyer will give a client a higher chance of gaining a representative who will maintain focus on the end goal while still keeping their eyes trained on all the other details that may prove to be important. Such a representative will also form a relationship with their client, allowing the client will have a high potential of their lawyer keeping their cool in the courtroom and in other potentially high-stress environments.

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<sup>29</sup> Vandyke (2010) The Successful Lawyers to-do List. Vandyke: Marketing and Communications. Web.

## Distribution, Production and Legal: Women Can Handle it All



Business owners in today's world face challenges when attempting to create and maintain a successful business. For example, business owners often struggle to find and keep competent employees create a clear and concise vision or goal for the company, keeping track of economic uncertainty and maintaining pace with technological developments. Because of the tumultuous nature of the history of women in the business world, female business owners face unique challenges on top of those that plague business owners in general.

Women in the business world, on top of having to search for knowledgeable employees, build a clear

goal for their business, handling economic uncertainty and technological developments, also face negative stereotypes, a fear of accumulating debt and resistance to business growth in favour of maintaining a small business so that they can remain personally in control of their employees and business affairs.

It is clear from these three explorations into a few of the different areas of the business world that women have every potential to excel in business, even in the face of the unique challenges they face. Although women face extra challenges in the business world they also bring unique talents as well. For example, women are natural relationship builders, and this skill helps immensely in forming social networks. Two of the main reasons that women are excellent relationship builders are that women are very good communicators and that they have the ability to keep their end goal in focus but also making sure they don't miss other potentially important details. This comes in handy, for example, for female lawyers who must keep their staff and their clients happy all at the same time. Or, for a manager who must at once listen to her employees concerns and also lead them in a direction that's right for the company by efficiently delegating tasks. This also applies to the production retail owner who may want to keep her business small in order to give her company a personal touch and be able to better balance work and home life.



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