Women CEOs’ growth ambitions significantly outpacing the market, despite their ongoing challenges in accessing capital

- 30% of female-led companies are targeting growth of more than 15% in next 12 months, compared with just 5% among rest of market
- 52% of women-led companies have no access to external funding, compared to 30% of male-led companies
- 17% of respondents think that access to capital is the biggest barrier to growth

TOKYO, 28 MAY 2018. Despite encountering more obstacles to accessing capital, female-run businesses are targeting more ambitious growth margins than male-led companies, according to the EY survey *Is the x chromosome the x factor for business leadership?*, unveiled at the EY Entrepreneurial Winning Women™ Asia-Pacific and Japan conference this week in Tokyo. The survey, based on views of CEOs from middle-market companies across the globe, showed that this optimism is in line with improving business conditions internationally.

Thirty percent of female-led companies are targeting growth rates of more than 15% in the next 12 months, compared with just 5% of male-led firms, even though more than half the women-led companies (52%) say they have no access to external funding.

Annette Kimmitt, EY Global Growth Markets Leader, says:

“The ambition of women CEOs is striking given that they are still battling to unlock capital that is much more readily available to enterprises run by men. When women-led businesses are empowered with the right support and resources they lead the way. But a persistent challenge in accessing funding at an early stage of the business life cycle for a large proportion of female-led companies may be holding them back from exploring further financing opportunities.”

Eri Sekiguchi, Assurance Partner, EY Japan, and Leader of EY Japan Winning Women Network, says:
“While access to capital is a significant barrier at a global level, what we observe in Japan is that female leaders also face the challenge of a perceived lack of management knowledge when compared to their male counterparts. To provide support and mentorship to female entrepreneurs and help them succeed, the EY Entrepreneurial Winning Women™ program is operating in this market, as well as in more than 50 countries around the world.”

**Customer focus an engine for growth**

Strategies focused on customer experience are at the heart of female leaders’ determined pursuit of market share. While both male and female CEOs surveyed think that improving the customer experience is the most important objective of their technology investment (26% and 25%, respectively), twice as many women leaders cite customer demand as the biggest driver of innovation (34% vs. 16%). This approach is likely to prove critical in coming years as companies are expected to be increasingly responsive to customer demands.

**Limited capital a significant barrier**

The ambition of women CEOs is even more striking given that they are still battling to unlock capital that is much more readily available to enterprises run by men, finds the survey. More than half of women-led companies (52%) have never received any external funding, compared to less than a third (30%) of male-led companies. Moreover, one in five women CEOs (20%) have no plans for raising capital, compared with just 3% of male CEOs.

**Why the funding gap matters**

Despite their ambition, women CEOs surveyed acknowledge that limited funding opportunities are holding their companies back. Almost three times as many women as men say funding is the most significant factor in building their company’s agility (17% versus 6%), while 17% believe the cost and availability of equity finance is the greatest barrier to growth, compared with 11% of male peers.

Kimmitt, says: “The funding gap matters because companies with high-growth potential that fail to secure early investment can have a harder time scaling-up, and much of the time, these companies are led by women. Financial support for women-led businesses represents a major challenge and only a handful of organizations around the world are focused on supporting the growth of women-led businesses.”
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About the survey

EY commissioned Euromoney Institutional Investor Thought Leadership to undertake an online survey of 2,766 C-suite (60% CEOs, founders or managing directors) in companies from 21 countries and with annual revenues of US$1m-US$3b. The survey was conducted from 15 January – 1 March. EY further invited the network of EY Entrepreneur Of The Year™ alumni across the globe to take the survey. The survey was available in English and six other languages. Further in-depth interviews were carried out during March-April 2018 to provide additional specific insights.

About EY’s Growth Markets Network

EY’s worldwide Growth Markets Network is dedicated to serving the changing needs of high-growth companies. For more than 30 years, we’ve helped many of the world’s most dynamic and ambitious companies grow into market leaders. Whether working with international, mid-cap companies or early stage, venture-backed businesses, our professionals draw upon their extensive experience, insight and global resources to help your business succeed.