Women, global trade and what it takes to succeed

2015

WOMEN *in* GLOBAL BUSINESS

A joint Australian, State and Territory Government initiative

WOMEN *in*
GLOBAL BUSINESS

Inspiring Australian women to international success

THE UNIVERSITY OF MELBOURNE

Australian Government
Austrade

Australia UNLIMITED

The second annual survey of Australia's international businesswomen
conducted by
Women in Global Business in conjunction with
André Sammartino & Sarah Gundlach at the University of Melbourne

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Preface

When WIGB launched four years ago, it was the realisation of a vision of several senior women executives from Australia's trade promotion organisations including Austrade and State and Terrirory government trade and investment agencies.

These insightful women recognised the warning indicators from scant data, that women led SME businesses in Australia were not achieving their export potential when measured against the general SME population. The formation of WIGB was designed to establish a government program to address the barriers that were acting to deter women led businesses from becoming global market leaders.

The multiple programs that WIGB established early on to break down these barriers, came about from research that mostly originated off-shore. Predominantly emanating from the USA, this data was balanced by a good dose of local intuition and Australian common sense. What was missing was the Australian data as a foundation underpinning the rationale for, and effectiveness of, WIGB services. This longitudinal study, the first of its kind in Australia, seeks to do just that.

In this second report of the five year study, we are able for the first time to compare results from one year to the next. This has led to some surprising findings including the dominance of baby boomer women as breakthrough international businesswomen; the noticeable eagerness for more international expansion and the clear rise of China specifically and Asia generally as significant markets for women led SMEs.

On the downside this second report reveals that barriers are becoming more, not less challenging for women. This is despite 63% of women, who indicated they wanted to expand their business into more countries in the first report, achieving this goal by the second. Our report confirms the trend internationally, that the major hindrance for women led businesses to expand internationally is the lack of access to finance and capital. This second report drills down to investigate why.

Working together with our stakeholders, corporate partners, members and allies, WIGB will continue to advance programs to support women to break through these barriers and scale up their businesses to reach their full potential as global companies.

Cynthia Balogh
National Program Manager
Women in Global Business

Acknowledgements

Our sincere thanks and appreciation goes first and foremost to our University of Melbourne partners, Dr André Sammartino, Senior Lecturer in Strategy and International Business, University of Melbourne and Ms Sarah Gundlach, University of Melbourne.

The collaboration between WIGB and the University of Melbourne on this five year longitudinal study has been enormously productive. The findings have revealed surprises for both parties along the way and reinforced some expectations. Of enormous satisfaction to the project team is the fact that this work is shining the light, for the first time, on how one crucial part of Australia's economy operates. As such the contribution to our body of knowledge and understanding cannot be underestimated.

Our heartfelt thanks also go to the hundreds of Australian businesswomen who took time out of their busy schedules to contribute their responses, thoughts and feedback on the second survey. By definition WIGB's target audience are businesswomen who are already exceptional multi-taskers with busy business and private lives and demanding domestic and global travel schedules. The fact that they took the time out to complete the survey responses is an indication of how important they consider this topic. We sincerely value and appreciate their contributions to this study.

There is another group of businesswomen in Melbourne and Sydney who we must recognise and extend special additional thanks. These were the WIGB Members who agreed to participate in the focus groups. They gave very generously of their time. Their unique insights provided real substance and background to many of the findings and can be read in this report.

My gratitude also goes out to WIGB's Advisory Committee members and State and Territory government stakeholders. Without their support for WIGB's mission and operational support, this project could not be realised. To our sponsors and allies who helped promote the survey to their respective memberships, we truly value the partnership and your support. To Austrade staff who supported WIGB in the promotion of the survey our sincere thanks. Our thanks also go to the multiple interns who supported WIGB during all the stages of this project. Finally thanks to the production team at Bouquet Creative for their innovative and creative ideas.

Cynthia Balogh
National Program Manager

Message from
The Minister for Trade and Investment

As Minister for Trade and Investment I'm always impressed, but never surprised by the entrepreneurial spirit of Australian businesspeople exploring avenues for growth in overseas markets.

This report – the second released by Women in Global Business and the University of Melbourne – builds on our understanding of the motivations, challenges and successes of Australia's businesswomen, as they engage in international trade.

Based on the responses to this second survey, the Free Trade Agreements I recently concluded with Japan, Korea and China, certainly have the potential to significantly impact upon the future success of women involved in exporting, with Asia identified by respondents as an increasingly important region for doing business.

In fact, the report found that in terms of first expansion, China in particular is fast becoming a popular destination for businesswomen seeking a location to establish their first global trading point.

Not surprisingly the report made clear that Australian businesswomen are seasoned exporters with a thirst for further expansion, with 74 per cent indicating their intentions to expand into even more markets; an ambition backed by the Abbott Government's aggressive trade and investment agenda, which is aimed at facilitating export growth for all Australian businesses.

The insights in this report will assist the government as it continues to support those seeking to either establish or expand their international business footprint; initiatives such as the government's Export Finance Insurance Corporation (EFIC) and the Export Market Development Grant (EMDG) programme, are aimed at helping find solutions to financial hurdles, which I note, is a key issue raised by survey participants, and by exporters in general.

Understanding what drives Australia's businesswomen to engage in international trading is critical to the mission of Women in Global Business and I commend this report as a valuable addition to our understanding of this important sector.

The Hon Andrew Robb AO MP
Minister for Trade and Investment

Foreword

Women are playing an increasingly significant role in business and the global economy. Women currently control over $21 trillion of wealth and their success in any number of fields means their contribution to our financial systems is steadily growing.

That is why ANZ is delighted to partner with organisations like 'Women in Global Business' who play such a vital role in providing women with networks, support and opportunities to help build their businesses internationally.

As a global business operating in 33 markets across the region ANZ understands that we need to do more to support women's access to capital and finance to manage their businesses and grow their personal wealth and we are actively working on a range of initiatives we believe will have an impact in this area.

This latest research report provides unique insights into the aspirations of women to expand their businesses internationally and of the success factors and barriers which are evident today.

As you read the report I am sure you will gain a greater appreciation for the significant contribution women are making to the region's economy and their positive aspirations for future growth.

Joyce Phillips
CEO Global Wealth
Australia and New Zealand Banking Group Limited

Executive Summary

This report is the second emanating from the five year partnership between Women in Global Business (WIGB) and the University of Melbourne to annually survey Australia's international businesswomen.

It fills a critical gap in data about Australian businesswomen engaging in international business and expands our understanding of their successes, challenges and motivations. It provides unique insights and captures the views and opinions of these entrepreneurial women with global ambitions. We look at their significant but under recognised contribution to Australia's economic growth and job creation. These women remain very optimistic about future growth. Our survey of 416 women, reveals a dynamic community of entrepreneurs and senior decision-makers guiding organisations into markets around the world.

Women entrepreneurs go global fast

There is a large, active group of women-owned businesses operating across varied foreign markets. These are typically young, small-medium-sized enterprises, founded within the past 4-8 years. They have been very quick to embrace global opportunities. Over two-fifths (42%) internationalised within 12 months of start-up, and 81% within the first 5 years. A third of these organisations (33%) earn more than 50% of their sales revenue internationally.

81%
Exported within the first 5 years

Expanding overseas has been a key success driver for these women-owned businesses. Almost two thirds (62%) report sales growth of more than 10% over the past year. Over a third (35%) report sales growth of more than 40%. These numbers are even higher for organisations that have internationalised in the past five years, with 52% reporting sales growth of more than 40% in the past year. Foreign sales growth of more than 100% was reported by 16% of the women-owned businesses. Almost a fifth (19%) of the women-owned businesses also reported growth in employment numbers of 10% or more over the past 12 months, with 4% more than doubling their headcount. Again, employment growth was even higher for firms in early stages of internationalisation. Of those who have internationalised within the past 5 years, 31% reported growth in employment numbers of 10% or more over the past 12 months, with 9% more than doubling their headcount.

33%
Report over 50% of revenue from export

31%
Report jobs growth of more than 10%

Australia's female international owner-operators do not fit the stereotype of young, brash entrepreneurs. Rather, these female success stories are overwhelmingly **baby-boomers** (62% are 50+ years of age). They are very well-educated (78% hold a bachelor degree or higher). They bring a wealth of life and business experience to their start-ups. Half (50%) have worked overseas in previous organisations, typically for five or more years, often in the USA, UK, China or Singapore.

62%
Are over 50

78%
Hold a bachelor degree or higher

Australia's women-owned businesses have already achieved significant success overseas, with the majority (51%) operating in five or more foreign markets, and a quarter in ten or more. There is a strong appetite for further expansion with 74% indicating they are seeking to expand into new markets, and none intending to scale back their global reach.

51%
Operate in 5+ markets

The most common first locations for expansion by women-owned organisations were the USA (14%), NZ (12%), UK (9%) and Japan (8%). China has been on the rise in recent years, accounting for 13% of first entries in the past five years. Asia is by far the most common region for

74%
Are seeking to expand into new markets

first expansion, up from 40% of firms who first went international 5 or more years ago to 47% of firms who internationalised within the past 5 years. The big drops have been in Europe (down from 20% to 11%) and Oceania (20% to 13%).

0%
Intending to scale back global reach

Businesswomen leaders guiding global businesses

The survey also identified a similar-sized group of women employed in executive roles within internationalised organisations. Just over a quarter of the respondents are members of the C-suite within their organisation. These women are younger (only 18% were 50+), and even more highly educated (90% hold a bachelor degree or higher) than the aforementioned owner-operators. Their organisations tend to be much larger – 43% have 500+ employees – and are older and more experienced overseas. We contend that some of these women may become the next generation of Australian international entrepreneurs, as they are currently building the sets of requisite skills for such transitions. Their rise within organisations also reflects the welcome growing presence of senior women in corporate Australia.

The next generation of international women entrepreneurs are likely to come from the corporate sector

The rise of China continues

The countries most frequently identified as the most important market were China (34%), the USA (23%), and the UK (7%). China was more frequently cited as most important (36%) for the more experienced organisations (those operating internationally for over five years). China has jumped considerably since our first survey (from 18% to 34%). This year we also asked about the most important region and Asia was ranked #1 by just over half (52%) the women.

34%
Identify China as the most important market

The most common business motivation (56% of owner-operators, 62% of women employed in strategic roles) for internationalisation was the proactive pursuit of new markets. The next most frequent triggers were reactive: responding to approaches from foreign clients, following key customers and other unexpected opportunities. Owner-operators were considerably more likely to be reactive than their more proactive employed counterparts. We argue this suggests a greater proactivity and confidence among Australia's female entrepreneurs may come from the facilitation of better international networks for Australia's aspiring global entrepreneurs, with government agencies a key avenue.

52%
Rank Asia as #1 region

Clear benefits identified when doing international business

Both groups of women identified a variety of organisational benefits flowing from this international presence, including positive reputational effects, strengthened strategic positions, improved competitiveness, enhanced workforce capabilities and greater profitability. These benefits were significantly higher with lengthier time in the global arena. Given that so many of these women have only internationalised recently, a *rush* of benefits to the Australian economy should be forthcoming.

Expect a rush of benefits to the Australian economy

The challenges of global expansion

Australia's businesswomen have confronted, and overcome, a number of hurdles in their internationalisation efforts. Among the most substantial barriers we identify are: the high $A, difficulty locating a suitable distributor, red tape issues in establishing foreign operations, a lack of resources to cover the investment timeframe (especially relative to the costs), and a lack of alternative sources of capital. Women running their own international organisations consistently rated these impediments as higher than the senior female employees (the exception was on the currency risk front). This is symptomatic of the large differences in access to resources, networks and information for these two groups of women.

Barriers are becomming more challenging not less

Access to capital remains the most important barrier

This second annual survey allows us to *track* the progression of a subsample of the women from the first survey. Almost two thirds (63%) of the women who had indicated an intention to expand the number of countries in which their business operated had achieved this goal in 2014. Doing

business abroad has not got easier however. As these women expand their businesses into new locations, they continue to encounter issues that hinder growth.

On almost all of the 31 issues we track across the survey, the respondents report the barrier to be causing more or similar hindrance to 12 months earlier. The only two to drop noticeably are cultural differences and the perceived risks of losing money selling products or services abroad. The barrier that has most consistently increased is lack of alternative sources of capital.

55%
Rate accessing finance difficult

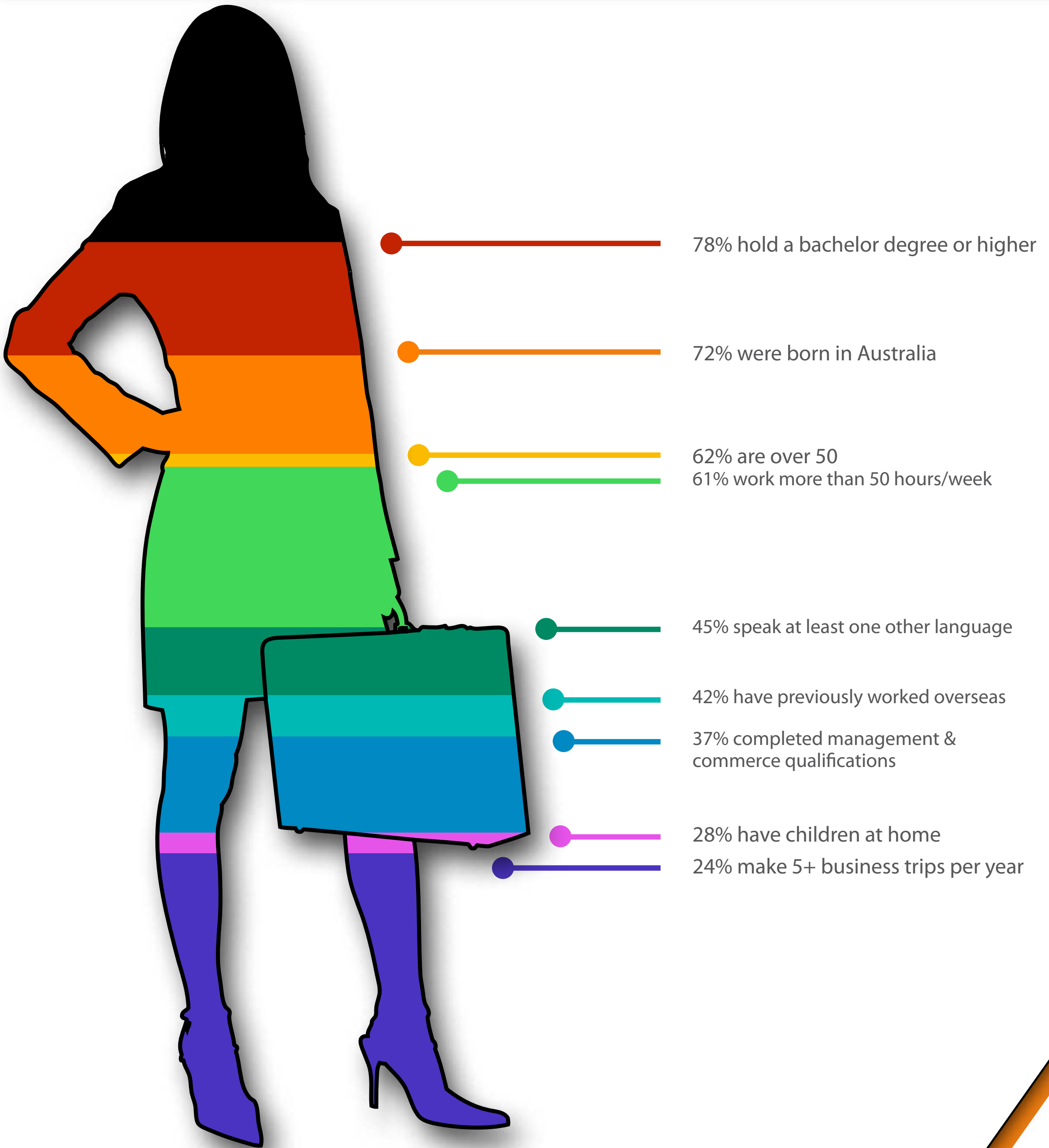
In this second annual survey we specifically investigate financing challenges which emerged from the inaugural survey as particularly salient for Australian businesswomen in the international arena. We find that most internationalised women-owned organisations rely primarily on personal savings and reinvested profits to fund expansion. Only 21% of the owner-operators had attempted to borrow to fund internationalisation, and of these attempts, only 27% were successful. Only 10% of respondents regarded ease of accessing finance as *easy* or *very easy*, while 55% rated it *difficult* or *very difficult*. Almost two fifths (39%) of the internationally engaged owner-operators felt that gender made a difference to their access to finance. This number was considerably higher (52%) for female owner-operators who were yet to internationalise. This does point to an often underplayed constraint to ongoing international expansion of women--owned Australian organisations.

39%
Of exporters feel gender makes a difference when borrowing

Our report identifies a number of opportunities to nurture and assist Australia's businesswomen in their international efforts. We offer promising evidence of the positive impact of mentoring in reducing barriers and building confidence, and a clear appetite for greater access to mentors. Programs such as WIGB are ideal mechanisms for increased sharing of information, contacts and lessons from successful counterparts, the building of skills and capacity, networking, and as a forum for offering specifically targeted policies and interventions.

52%
Of non exporters feel gender makes a difference when borrowing

TYPICAL AUSTRALIAN WOMEN OWNER OPERATOR'S **IN INTERNATIONAL BUSINESS**



1. Introduction

Australia's international businesswomen remain an under-recognised success story and important national resource. Across a variety of sectors, and in markets around the world, Australian female entrepreneurs and senior decision-makers are building globally competitive organisations. This report captures their experiences, their successes, and the challenges they continue to face.

For the second year, Women in Global Business in conjunction with a research team at the University of Melbourne have gathered insights from over 400 Australian businesswomen, through both a survey and also focus group discussions.[1]

The report highlights the ongoing emergence of women owned and operated organisations embarking upon and expanding operations in foreign markets. Their experiences are contrasted with those of the many women playing senior strategic roles as key employees in internationally active businesses and organisations. These women are not often seen in the popular business media, and defy the stereotype of young, entrepreneurial upstarts. Rather, they are more typically Baby Boomers, with a wealth of life and business experience taking substantial risks in complex global markets. Their businesses are growing fast, typically in the service sector, with an increasing focus on Asia.

These successes are coming despite considerable barriers and limited support, especially from financial institutions and funding agencies. We identify a range of positive policy and networking opportunities that could help further boost this emerging national resource.

2. The Women Driving Internationalisation

About the survey

We surveyed 416 Australian businesswomen from several distinct groups with varying levels of engagement in the international arena (see Figure 1). Each group has distinct experiences, challenges and opportunities for ongoing growth.

Owner-Operators: We surveyed 183 women who owned and operated their own business, of which 73% operated internationally, and 27% were not yet international. In this report we contrast the profiles of these two groups of female entrepreneurs in terms of demographics, motivations and experiences.

Employees in a Strategic Role: We surveyed 171 women employed in roles with significant decision-making responsibilities regarding their organisation's strategic direction. Of these employees in strategic roles, 89% worked in organisations that operated internationally. In this report we often compare these employees' experience of internationalisation with those of the owner-operators.

Employees without a Strategic Role: We surveyed 62 women employed in roles that did not have significant decision making responsibilities regarding their organisation's strategic direction. Of these 82% worked in organisations that operated internationally. Much of our analysis excludes these 62 women, although we recognise that these women may take on strategic roles, as employees or as owner-operators, in the future. As such, they represented an untapped resource for Australia's international business performance.

Longitudinal Panel: In our first survey we asked participants if we could track their responses from survey--to-survey. We are able to present longitudinal data on 89 women this year, of whom 44% are internationally-engaged owner operators, 14% are solely domestic owner-operators, 20% are women employed in strategic roles in internationally-active organisations, and 7% are employed in strategic roles in solely domestic businesses.

FIGURE 1: BREAKDOWN OF SAMPLE

	Owner-operators	Employees in strategic roles	Employees without strategic roles	Total	*Total - strategic*
International	134	152	51	337	*286*
Not international	49	19	11	79	*68*
Total	183	171	62	416	*354*

ABOUT THE FOCUS GROUPS

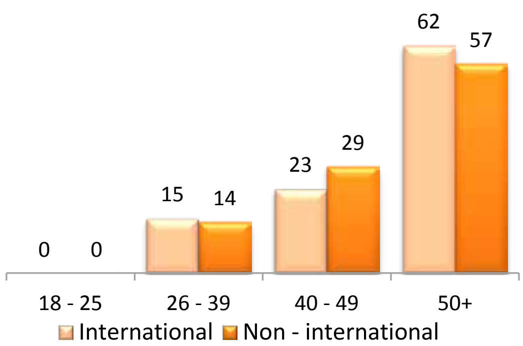
Conscious that each Australian businesswoman will take an idiosyncratic path to the international arena, we ran two focus groups – one each in Melbourne and Sydney – to delve deeper into some of the more salient aspects of the internationalisation experience. The groups including nine women, eight internationally-engaged owner-operators and one senior executive employed in an internationally active business. Quotes from these sessions appear throughout the Report.

3. A Snapshot of Australia's Women Owner Operators

Australia's female owner-operators draw upon a wide diversity of experiences to engage with an ever-growing mix of countries. They typically run organisations within the service sector, and these organisations are predominantly small-to-medium-sized enterprises (SMEs). Their organisations are typically still quite young.

Age of owner-operators: Baby boomers predominate in our sample – both among those operating internationally and those who are yet to internationalise. The image of the startup as the domain of young entrepreneurs is clearly misrepresentative of the Australian reality among businesswomen. Almost two thirds (62%) of the international owner-operators are 50 plus years of age, while 57% of the yet-to-internationalise are 50 plus (see Figure 2). The 40-49 age group is next most common. These entrepreneurs bring a wealth of experience to their organisations from previous work experience.

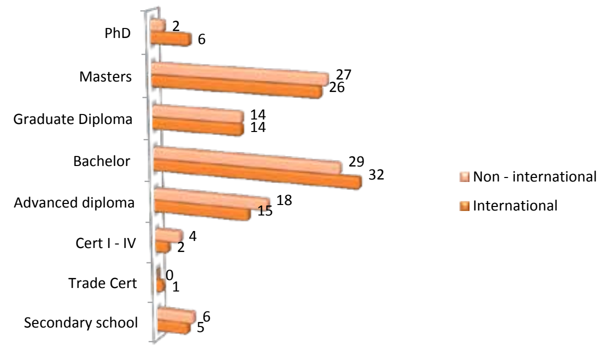
FIGURE 2: AGE DISTRIBUTION (%)



Educational background of owner-operators: Our respondents are very well-educated. Over 70% of the owner-operators hold a bachelor degree or higher, including 78% of the internationally-engaged women (see Figure 3). This is more than double the proportion in Australia's working age population. Almost a third have a masters or PhD. While we did not ask when their highest level of study was undertaken, it is reasonable to assume, given the typical age of our respondents, that many of these women have returned to study throughout their working lives.

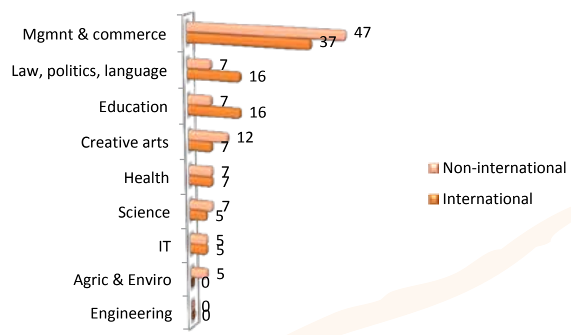
> *"The more knowledge you have as you go through life… (with) experience from different companies, the better understanding you develop of how to do things in your own company….".*

FIGURE 3: HIGHEST LEVEL OF EDUCATION COMPLETED (%)



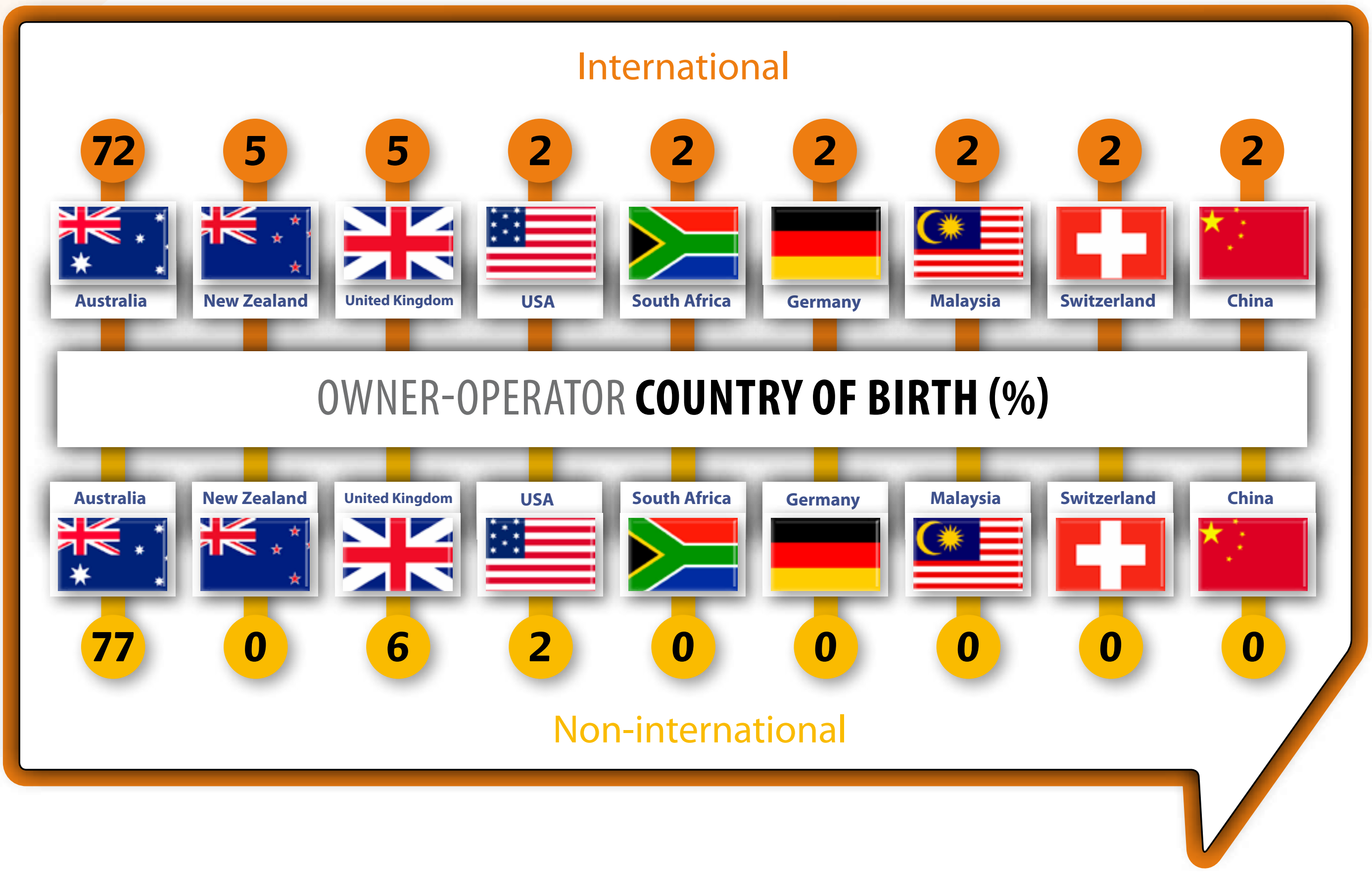
Our assumption that the female owner-operators often returned to study is further bolstered by the data showing Management & Commerce was the most common area of study (of the highest qualification achieved), with almost half (47%) of the yet-to-internationalise women completing such programmes, and 37% of the internationalised owner-operators (see Figure 4). This means many are likely to have completed Masters of Business Administration, or Masters of International Business studies which directly contribute to the required skills of managing and leading organisations. Education (16%) and Society and Culture (16%) courses were the next most common educational backgrounds of the internationalised owner-operators.

FIGURE 4: AREA OF STUDY (%) - HIGHEST QUALIFICATION COMPLETED



Ethnic background of owner-operators: The sample mirrors the ethnic background of the general population. Just over a quarter (28%) of the internationalised owner-operators were born outside Australia (see Figure 5), comparable to national proportions (30%).[2] Fewer of the women running yet-to-internationalise organisations were foreign born (22%). Those born overseas were from a diverse range of countries.

FIGURE 5

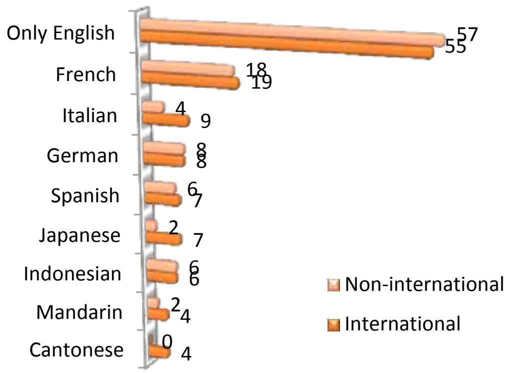


"We came with $70, four suitcases and two babies, and we were babies ourselves. We were only 22. I really wanted to leave a legacy to other women and to show that it's possible coming with a second language, with no money and become successful and an inspiration for other women."

Language capabilities of owner-operators: In both categories approximately 17% of the women indicate they speak a language other than English at home, just slightly less than the national proportion (20.4%). The most common languages spoken at home are German, Italian, Spanish and French. The language resources run deeper than this, however. Almost half (45% of internationalised owner operators, 43% of not-yet--internationalised) indicate some capacity to speak a language other than English, with European languages (French, Italian, German and Spanish) predominating (see Figure 6). The most common Asian languages are Japanese, Indonesian and Mandarin.

45%
Respondents speak a second language

FIGURE 6: LANGUAGES SPOKEN (%)



Note: Respondents could list more than one foreign language spoken

There is a mismatch between the specific language skills and the geographic priorities of these firms (see Section 6) which shows European markets are rarely a priority). However, speaking more than one language is a strong driver of cultural awareness and communication capacity, irrespective of the specific languages involved.[3] Thus, the language data does reflect considerable promise for future expansion capacity.

Prior international experiences of owner-operators: New to this year's survey were questions about prior experience of international work. Working overseas may contribute to knowledge of specific market opportunities, to the development of networks of contacts, and to confidence about the prospect of success. Experience managing cross-border operations has been found to shape international decision-making and management skills.[4] Half (50%) of internationally-engaged owner operators have worked overseas in previous organisations.

50%
Have worked overseas previously

Surprisingly, an even greater proportion (55%) of the women running organisations that are yet-to-internationalise have such experience. One key difference is that the internationally-engaged owner-operators typically have spent more years working overseas, with 42% reported 5+ years of experience versus 26% of the yet--to-internationalise owner-operators. As Figure 7 also shows, a greater proportion of the latter has less than 12 months experience working overseas (36% versus 22% for the internationally-engaged).

We asked respondents to list up to four countries in which they had worked (ranked by length of time). The two most common locations for both groups of owner-operators were the UK and the USA (see Figure 8). This is not surprising given the language and institutional commonalities, and the high level of engagement between Australia and these two large economies. The internationally engaged owner--operators are considerably more likely to have worked in China, Japan, India and Hong Kong, key locations in our region. The positive impact of such work experiences was repeatedly mentioned by the focus group participants.

"When you make the decision to live and work in other countries for long periods of time you really do need to adapt and it does humble you. It requires that you think differently. It requires that you are much more considerate in the way you think about what you're doing and how you're doing it and how does that impact the people around you."

FIGURE 7: YEARS OF EXPERIENCE WORKING OVERSEAS (%)

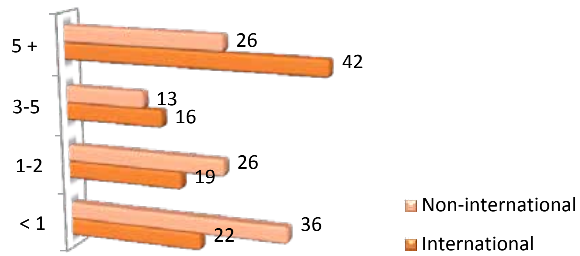


FIGURE 8

Note: Respondents could list up to four countries (in order of time spent)

"In my first job I was just sent overseas by myself and told to find opportunities… So all I know is that the world is out there and you've got to hurry up and make contact with it."

Motivations for starting a business: We asked the owner-operators to identify their prime personal motivation for establishing their organisation. As Figure 9 shows, for women running now-internationalised organisations, the prime motive was the recognition of a business opportunity – *an opportunity presented itself* (25%), followed by the entrepreneurial drive – *I always wanted a business* (18%), *to be my own boss*, and *dissatisfaction with employed work* (11%). The owner-operators who had yet to internationalise were more evenly split with regards to their prime motivations with four prime motivations – *an opportunity presented itself, I always wanted a business, to have more flexibility* and *thought I could do better* – equally predominant (each 14%). The entrepreneurs in our focus groups often linked their personal motivations to where they were in their professional and personal lives.

"I would come up with entrepreneurial ideas that were successful but my agency didn't like that. When I got retrenched, I thought if I don't start it now I never will. I was 39 and I thought that I could do it but I needed that sort of crisis in my life in order to take that leap."

"I started my business at 40. Both my sons had finished high school and were more independent....I went overseas…[and for] the first time I travelled on my own….six months later I started a business."

FIGURE 9: MOTIVATION FOR START-UP (%)

International		Non-international
25	An opportunity presented itself	14
18	Always wanted a business	14
14	To be my own boss	7
11	Dissatisfaction with employed work	0
5	Hit glass ceiling in my career	0
5	To have more flexibility	14
5	Thought I could do better	14
5	To do something constructive whilst caring for children at home	0

As the respondents were also asked to rank their #2 and #3 motivations, we have calculated a weighted motivation score. As Figure 10 shows, while the existence of an opportunity and being one's own boss remain as key drivers, to *have more flexibility* shows up as the third most common motivation among these entrepreneurs. Alongside *dissatisfaction with employed work* and *hit a glass ceiling in my career*, the desire for greater flexibility may reflect a mismatch for some of these women between the constraints of corporate life and both entrepreneurial interests and family pressures. This is explored further in Section 10.

FIGURE 10: WEIGHTED MOTIVATION FOR START-UP (%)

International		Non-international
18	An opportunity presented itself	14
16	Be my own boss	12
15	Have more flexibility	16
10	Always wanted a business	7
7	Dissatisfaction with employed work	2
7	Hit glass ceiling in my career	2
7	Thought I could do better	8
6	Make more money	12

Note: Respondents' rankings were weighted as follows: #1=3, #2=2, #3=1

Prior entrepreneurial experience of owner-operators:
In this year's survey, we asked whether this was the first business a respondent had started. Approximately, a third of the women (32% of the internationally-engaged owner-operators, and 38% of those not-yet-internationally engaged) can be described as *serial entrepreneurs*, as they had previously founded a business. Again, this reflects considerable accumulated business acumen.

1 in 3
Women are serial entrepreneurs

The women owned organisations

Size: These women-owned organisations are typically small-medium enterprises. Most (88% of the internationalised, 90% of the yet-to-internationalise) have less than 20 employees, with 66-82% employing less than 5 employees (see Figure 11). This profile closely matches the Australian business population (97% of Australian organisations employ less than 20 workers, 88% less than 5). While there are only a handful of organisations in the sample with 100+ employees (2-4%), the percentage actually exceeds the ratio in the Australian business population.[5]

88%+
Employ less than 20 people

With regard to annual turnover, 42% of the internationalised and 29% of the yet-to-internationalise organisations generate $1m+ per annum. Operating internationally does correlate with greater turnover in our sample, with 7% of the internationalised women-owned organisations turning over $10m+ per annum, while none of the yet-to-internationalise organisations exceeded the $10m mark (see Figure 12).

FIGURE 11: BUSINESS SIZE - EMPLOYEES (%)

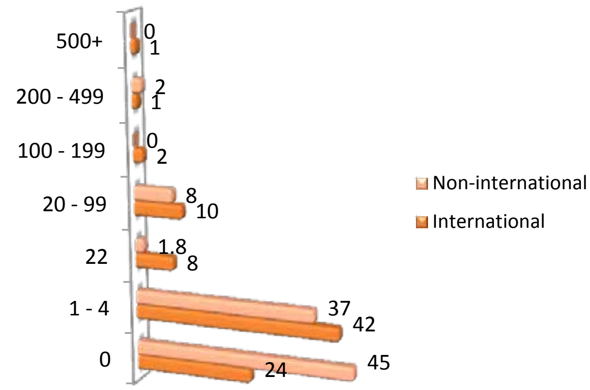
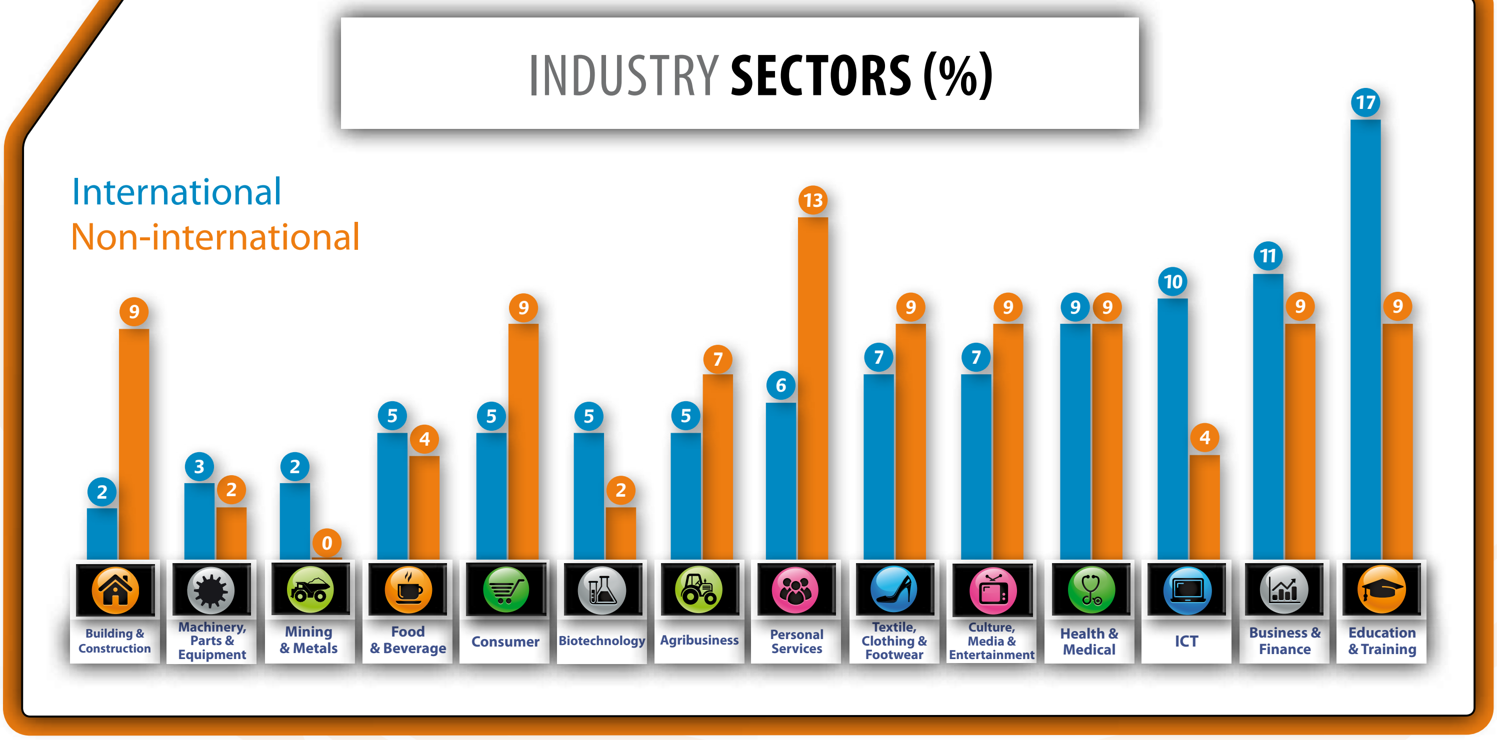


FIGURE 12

Industry Sectors: As Figure 13 shows, these organisations typically operate in service sectors. Most common among the internationalised organisations are Education & Training (17%), Business & Finance (11%) and ICT (10%). There is a more diverse mix among the yet-to-internationalise organisations. Personal & Other Services (13%) is the largest group, with noticeably more in Building & Construction (9%), and Consumer Goods (9%) than among the internationalised sample. The internationalisation of service industries is a relatively recent global phenomenon,[6] trailing the more traditional manufacturing and extractive industries due to the challenges of adapting culturally- and institutionally-specific offerings, and the complexity of building and managing the often face-to-face relationships with clients.

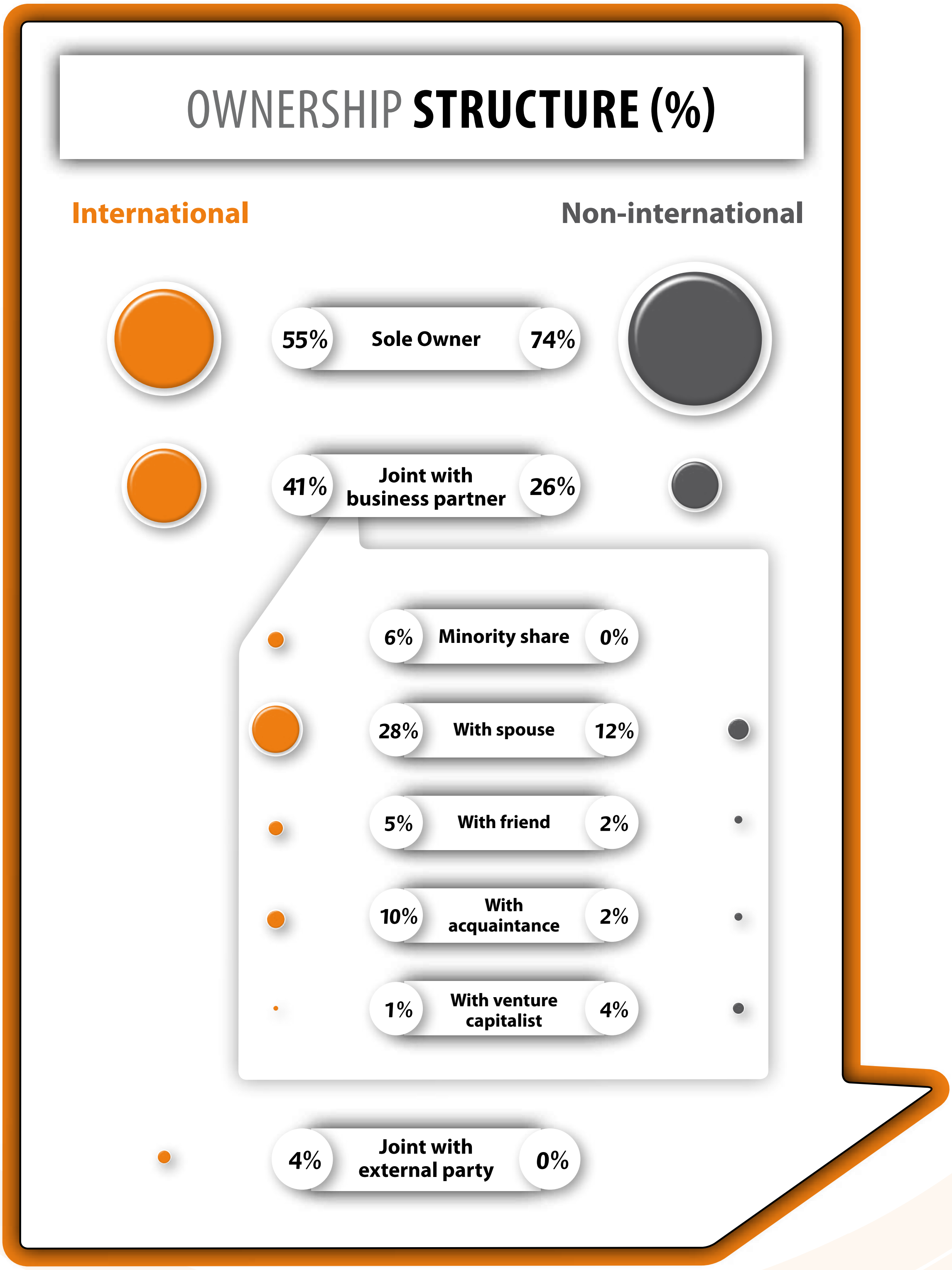
It is exciting for Australia's growth opportunities that women-owned SMEs have been so successful in embracing these new opportunities. This mix also contrasts starkly with those identified in the recent *Australia's International Business Survey* (2014),[7] where 'elaborate manufactures' made up 21% of the sample, and food processing was the third largest sector.

FIGURE 13



Ownership: There was considerable difference between the ownership structures of the internationally engaged and not-yet-international organisations. While just over half (55%) of the internationally engaged women indicated their business is solely owned, almost three quarters (74%) of the yet-to-internationalise organisations are solely owned. As Figure 14 shows, minority ownership was rare, and the most common joint owner is a spouse/long-term partner (28% of the joint owned internationally engaged, 12% for the yet-to-internationalise). Joint ownership with venture capitalists while very uncommon, was more prevalent among the yet-to-internationalise organisations. As we discuss in Section 9, female owner-operators cite access to finance as a frequent and substantial barrier to internationalisation. Joint ownership may be one mechanism to increase access to much-needed capital.

FIGURE 14



Age of organisations: While their owners bring a wealth of life experience, many of these organisations are young. Almost a quarter (24%) of the internationalised organisations commenced operations in the past 4 years (since 2010), and 45% since 2005 (see Figure 15). The yet-to-internationalise are even younger with 31% starting since 2010, and 55% since 2005. On the other side of the ledger more than a third of the firms were founded last century.

FIGURE 15: YEARS OF OPERATION (%)

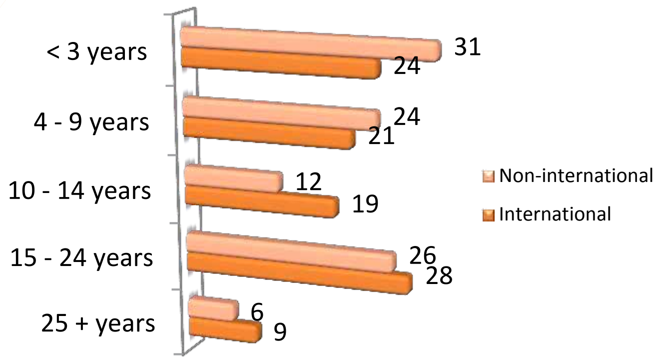
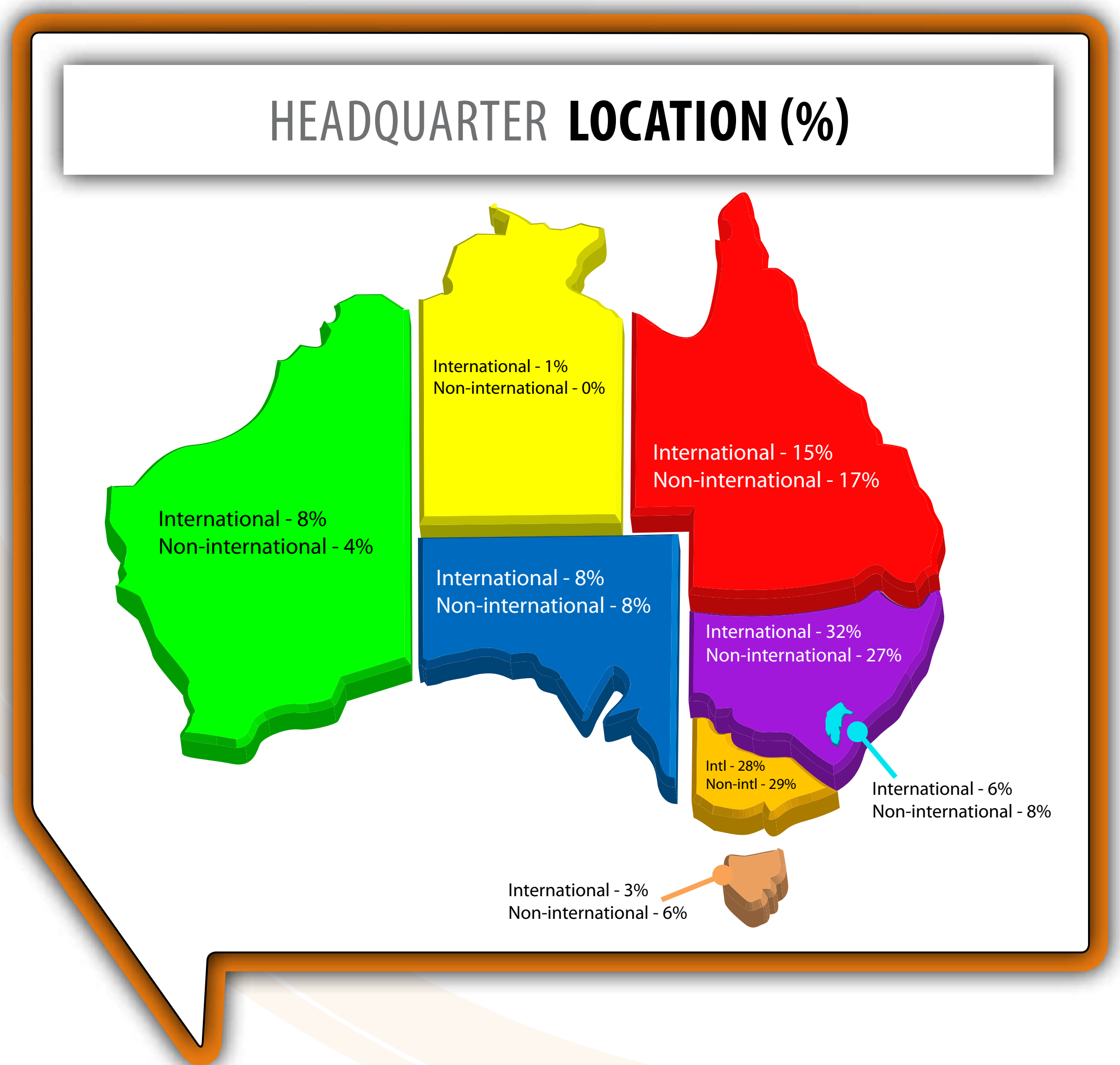


FIGURE 16



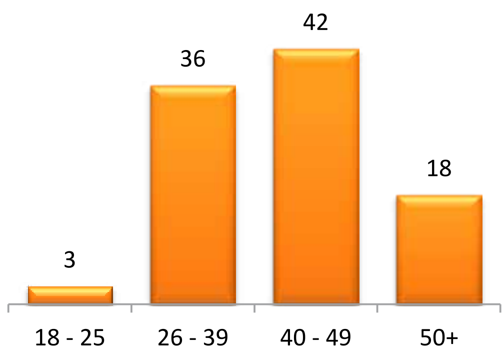
Location of headquarters: The headquarters of these women-owned organisations are distributed across the Australian states and territories in relatively similar pattern to that in the general population (see Figure 16).[8] Queensland and Western Australian are somewhat underrepresented, while the ACT and Tasmania are overrepresented, particularly among the not-yet-internationalised organisations. Around one in ten (9-10%) of the organisations indicate their headquarters is in a rural location.

4. A Snapshot of Australia's Women Employed in Strategic Roles in Internationally Engaged Firms

Alongside the female owner-operators there is a further cadre of internationally engaged Australian businesswomen – those employed within organisations and playing strategic roles in their firms' international success. These women are younger and even more highly educated than their entrepreneurial counterparts. They typically work in larger, older, and more globally active organisations.

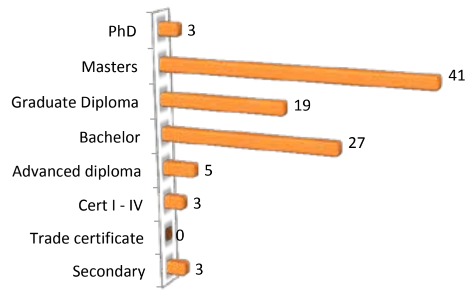
Age of employees in strategic roles: This group of women is noticeably younger than the owner-operator cohort (see Figure 17). Less than a fifth (18%) are 50+ years of age. The 40-49 age group is the most prevalent (42%), followed by the 26-39 category (36%). As we argued in last year's report, these women may well be the source of future owner-operators.

FIGURE 17: AGE DISTRIBUTION (%)



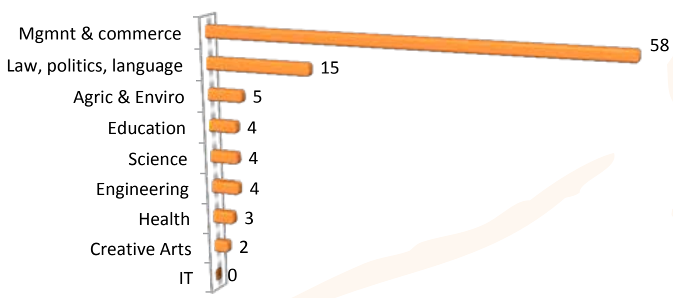
Educational background of employees in strategic roles: The women employed in strategic roles in internationally active organisations are even more well-educated than the owner-operators. Roughly 90% of the women hold a bachelor degree or higher (see Figure 18), almost triple the proportion in Australia's working age population. Almost half (44%) have a masters or PhD. Some of the difference may be reflective of the younger age of these women, as they have grown up in a period of a fast-expanding university sector and greater access. Nevertheless, it does point to a high quality labour pool.

FIGURE 18: HIGHEST LEVEL OF EDUCATION COMPLETED (%)



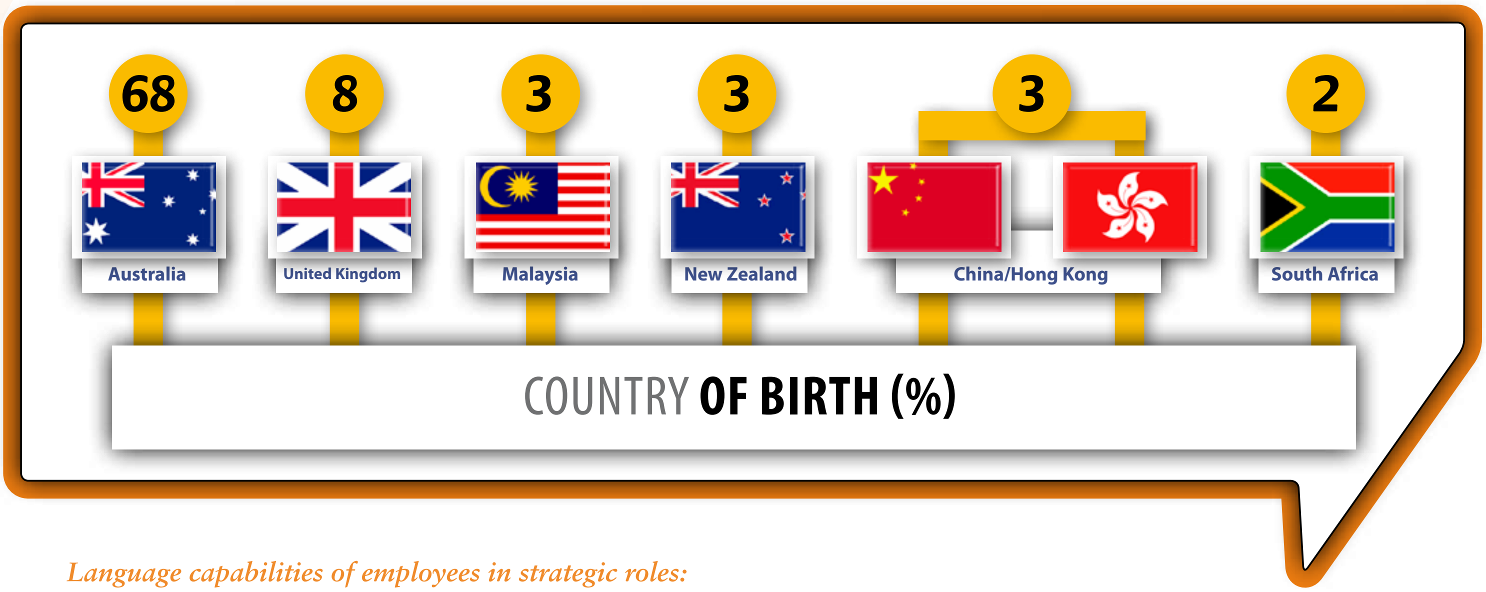
Management & Commerce was even more prevalent as the most common area of study, with well over half (58%) of the women employed in strategic roles in internationally active organisations completing such programmes (see Figure 19). This most likely reflects the rise of MBAs and similar programs as pathways to executive positions. Society and culture (e.g. law, politics and languages) courses were the next most common (15%) courses, while Education was relatively rare (especially when compared to the internationalised owner-operators) as was Creative Arts (the second most common among yet-to-internationalise owner-operators). Noticeably more prevalent here than among the owner-operator samples were both Agriculture & Environmental studies (5%) and Engineering (4%).

FIGURE 19: AREA OF STUDY (%) HIGHEST QUALIFICATION COMPLETED



Ethnic background of employees in strategic roles: The sample is very similar in terms of country of birth to the owner-operators and to the general population in Australia. Almost a third (32%) of the women employed in strategic roles in internationally active organisations were born outside Australia (see Figure 20), comparable to national proportion (30%).

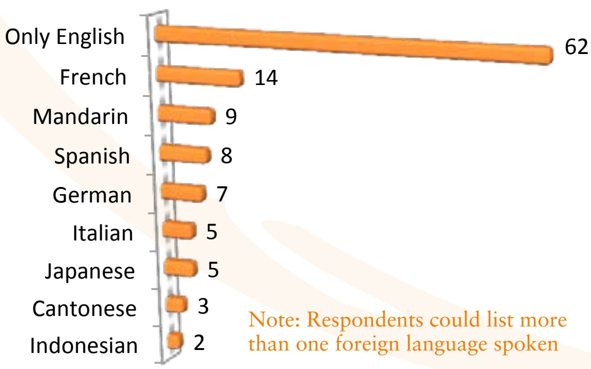
FIGURE 20



Language capabilities of employees in strategic roles: Approximately 15% report they speak a language other than English at home, somewhat less than the national proportion (20.4%). The most common languages spoken at home are French (15%), Mandarin (15%), Cantonese (10%), Malay (10%) and Spanish (10%).

Roughly two fifths (38%) of the women employed in strategic roles in internationally active organisations indicate some capacity to speak a language other than English (see Figure 21), with French the most common (14%), followed by Mandarin (9%), Spanish (8%), and German (7%). The presence of some Asian language skills is certainly promising as we drive further into Asia, but the level is still likely to be inadequate.

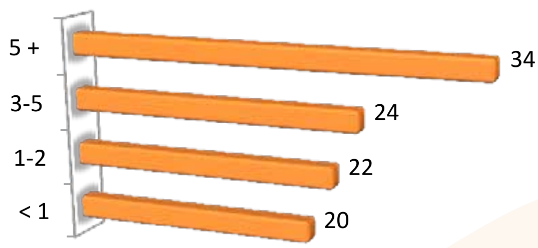
FIGURE 21: LANGUAGES SPOKEN (%)



Note: Respondents could list more than one foreign language spoken

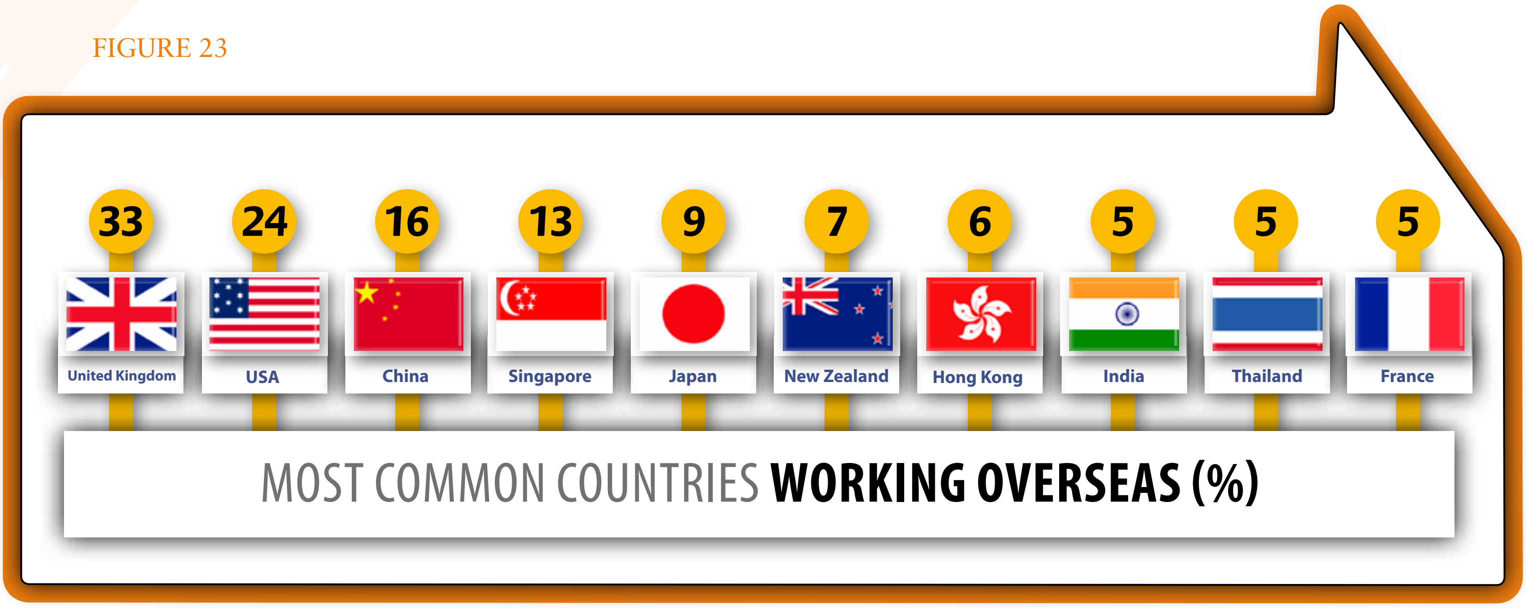
Prior international experiences of employees in strategic roles: The women employed in strategic roles in internationally active organisations often come to such roles with prior experience of working overseas. Approximately half (49%) have worked overseas in previous organisations. For just over a quarter (28%) their current organisation is the first in which they have worked offshore. Just less than a quarter (23%) are yet to work overseas at all. As Figure 22 shows, approximately a third of the sample (34%) have worked overseas for 5+ years.

FIGURE 22: YEARS OF EXPERIENCE WORKING OVERSEAS (%)



We asked respondents to list up to four countries in which they had worked (ranked by length of time). As with the owner operators the two most common locations for both groups of owner-operators are the UK and USA (see Figure 23). The level of work experience in key Asian markets such as China (16%) and Singapore (13%) is noticeably higher, reflective of the Asian economic boom of the past decade and a half, and Australian firms' embrace of Asia. Such experience is also promising for increased engagement in the region.

FIGURE 23



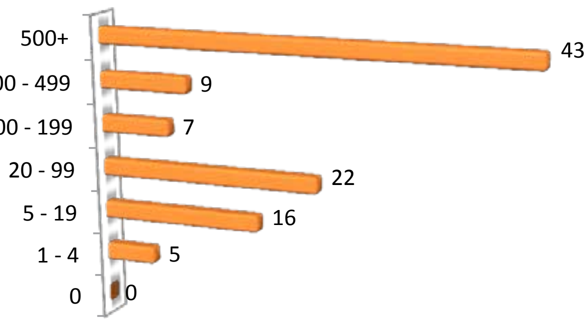
Note: Respondents could list up to four countries (in order of time spent)

Their strategic roles: Just over a quarter of the women employed in strategic roles in internationally active organisations are definitely part of the C-Suite, with 11% reporting as CEO or equivalent, and a further 15% as a *member of the Senior Executive*. The most common role is in Business Development/Sales (16%). Also prominent are International Operations/Strategy (12%), Marketing Manager (12%) and Group or Division Head (11%).

The organisations in which they work

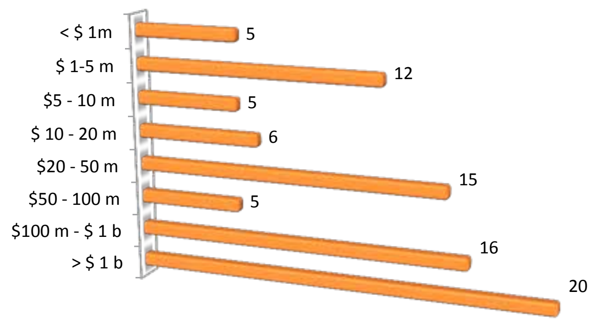
Size: In contrast to the women-owned organisations, our sample of employees in international strategic roles predominantly worked in large organisations (see Figure 24). Over two fifths (43%) work in organisations with 500+ employees. These are substantial organisations that generate considerable economic value within the Australian economy.

FIGURE 24: BUSINESS SIZE – EMPLOYEES (%)



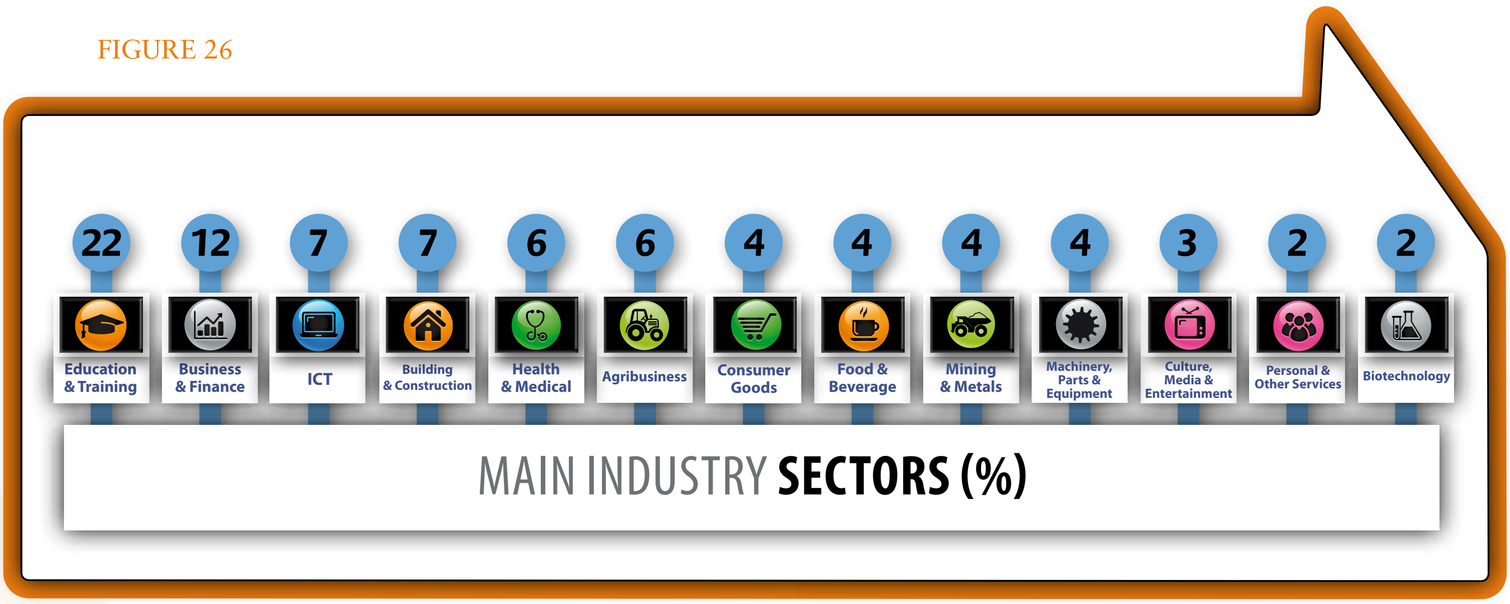
This is also reflected in the data on annual sales turnover, with 36% of the sample working in organisations that turnover $100m+ per annum (see Figure 25). The majority (56%) earn at least $20m in revenue per annum.

FIGURE 25: BUSINESS SIZE – REVENUE (%)



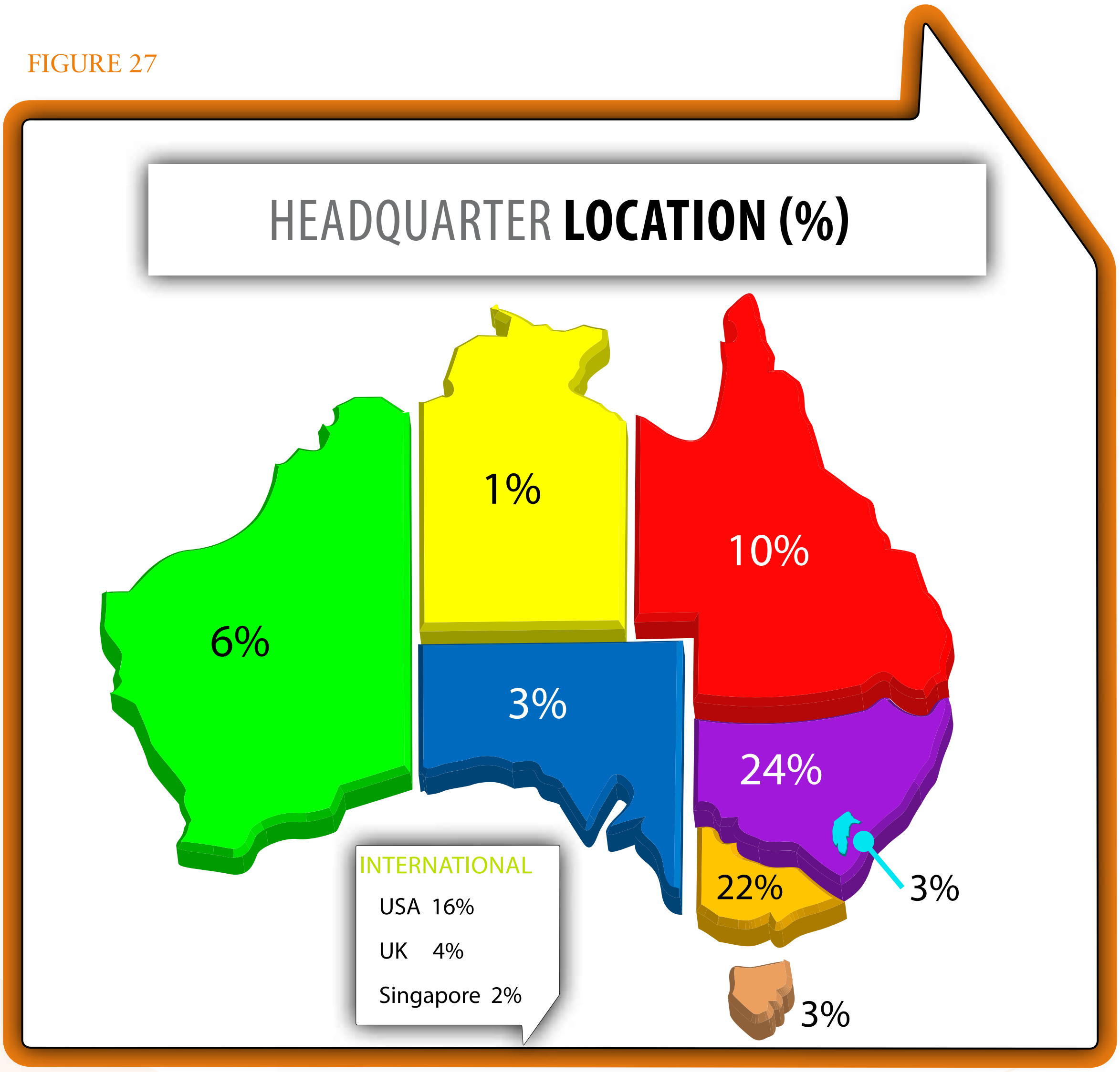
Industry Sectors: Not all of these women worked in the for-profit sector. Almost a third (30%) described their organisation as 'Government or Not for Profit'. Many of these are in the Education & Training sector. As Figure 26 shows, across the sample of employees in strategic roles in internationally active organisations, the Education & Training sector is the most prevalent (22%), followed by Business & Finance (12%). Beyond these two, there is a very diverse mix with most major sectors represented. The mix is broader than for our owner-operator sample, indicative of raft of new skills and industry knowledge which could be leveraged into this arena in the future.

FIGURE 26



Location of headquarters: One further difference with respect to our sample of women employed in strategic roles in internationally active organisations is that just over a quarter of the sample (27%) work for multinational companies headquartered outside Australia (see Figure 27). Of these, the USA was by far the most common headquarter locale, followed by the UK and Singapore. Within Australia, the distribution is reflective of the Australian population of businesses, with Western Australia more adequately represented than in the women-owned organisations samples. Again, 10% of the organisations indicate their headquarters to be in a rural location.

FIGURE 27



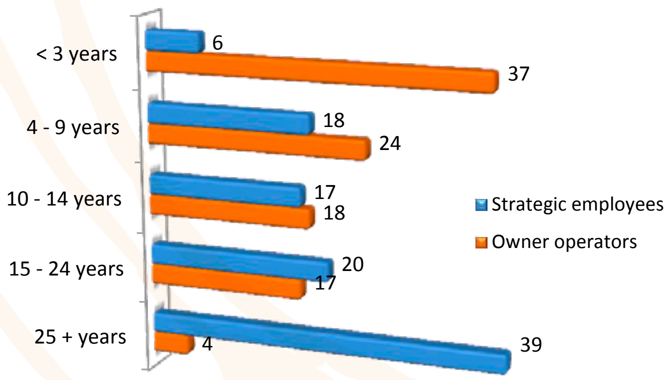
5. Heading International

Having established the basic demographic profile of the women surveyed and the organisations which they own or work in, we now turn specifically to the findings with regard to their organisation's international engagement.

We show Australian businesswomen are highly engaged with the international arena. We also look specifically at the returns their efforts have reaped, and the barriers they face in expansion.

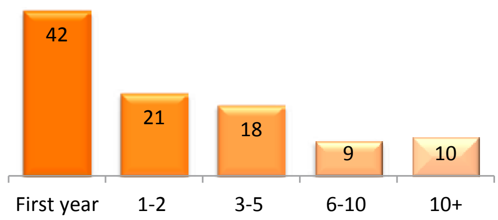
The timing of the first step: Among the internationalised owner-operators just over a third (37%) first ventured overseas in the past 4 years, and 71% in the past 8 years (see Figure 28). Just over a fifth (21%) of women-owned organisations have been operating internationally since before 2000. This contrasts with the organisations in which the women in strategic roles are employed. The majority of these organisations (59%) commenced international operations before 2000, and only 6% headed offshore for the first time this decade. It is fair to assume that some of strategic issues that women employed in strategic roles are encountering internationally may differ substantially from those experienced by the owner-operators. Many of the latter group are still *finding their feet* in the international arena.

FIGURE 28: NUMBER OF YEARS IN INTERNATIONAL BUSINESS (%)



Age when stepping out: For the women owned-and-operated-organisations we are also able to calculate the age of the entity at time of internationalisation for all operations that commenced from 1990 on.[9] As Figure 29 shows, the speed of internationalisation has been startlingly fast, with over two fifths (42%) of the women-owned organisations engaging internationally within the first 12 months of operations, and 81% within the first 5 years (see Figure 29). This does indicate a high level of risk-taking, and preparedness, on the part of these entrepreneurs.

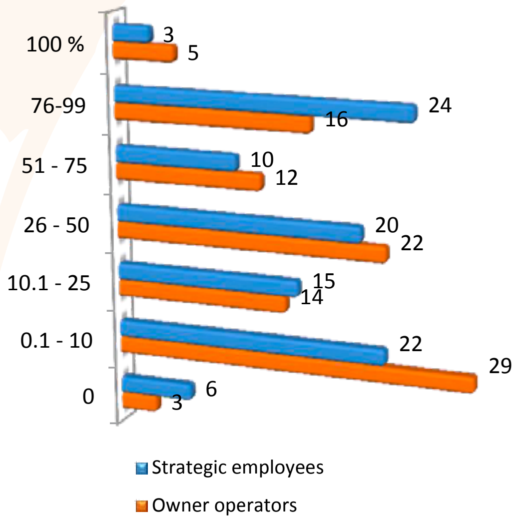
FIGURE 29: YEARS OF OPERATION BEFORE INTERNATIONAL ENGAGEMENT FOR WOMEN-OWNED BUSINESSES (%)



The impact of internationalising: While we explore both the scope of internationalisation and the specific question of the level of success these moves have achieved in following sections, we can immediately see the extent of internationalisation.

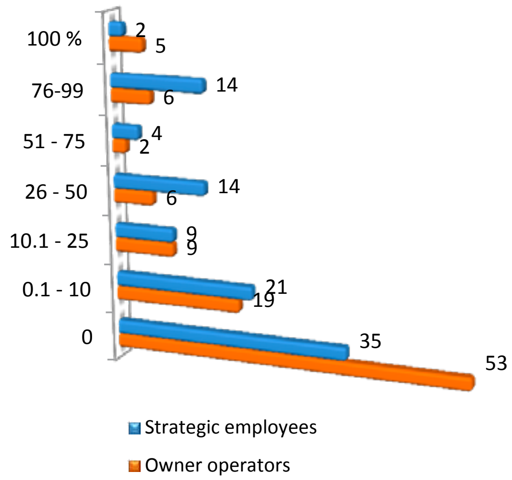
Sales impact: As Figure 30 shows, a third (33%) of women-owned organisations in our sample earn more than 50% of their sales revenue internationally. This percentage is slightly higher (37%) for the organisations employing females in a strategic role.[10] A similar ratio (32% and 28% respectively) earn 10% or less of their sales offshore. These data do demonstrate these organisations have opened up new, often substantial, revenue streams through international expansion. We discuss and expand on this aspect further in the Section 7.

FIGURE 30: FOREIGN SALES AS % OF TOTAL SALES (%)



Asset impact: Not surprisingly, given these are almost all small-to-medium sized organisations, few of the women-owned entities have developed significant asset holdings off shore. Only 13% have more than 50% of their assets offshore, and more than half (53%) retain all assets within Australia (see Figure 31). One fifth (20%) of the organisations employing females in a strategic role have a majority of their assets outside Australia, consistent with the older age of these firms, their greater size, and with the fact that several are the result of inward investment into Australia by multinationals.

FIGURE 31: INTERNATIONAL ASSETS AS % OF TOTAL ASSETS



The location of the first step: English-speaking countries predominate as the first country either type of organisation entered, with the USA (14%), the UK (12%) and New Zealand (11%) the most common initial points of internationalisation. Roughly two fifths of the organisations (41-44%) commenced their expansion in Asia. As Figure 32 shows, owner-operators were more likely to head across the Tasman to New Zealand (12%) rather than all the way to the UK (9%). Asian countries make up the next six most common first destinations, with Japan most common (8%). For the organisations employing females in a strategic role, China was the most common Asian destination (11%).

FIGURE 32: FIRST INTERNATIONAL LOCATION (%)

	Owner-operators	Strategic employees
USA	14	14
New Zealand	12	10
UK	9	11
Japan	8	6
China	7	11
Hong Kong	6	2
Singapore	5	7
Malaysia	3	6
Indonesia	2	6
REGIONS		
Asia	41	44
Europe	20	18
Oceania	18	17
North America	14	15
Africa & the Middle East	6	0
Central & South America	0	2

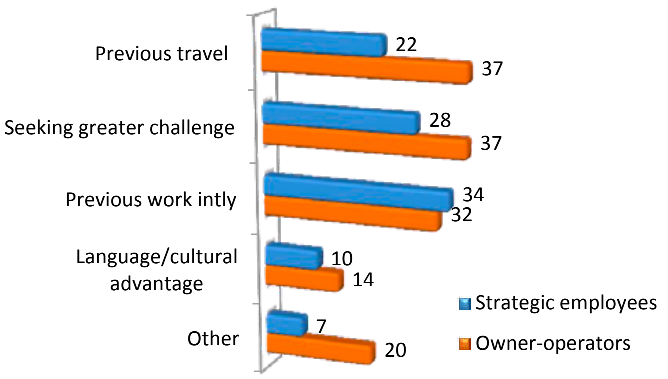
FIGURE 33: FIRST COUNTRY AND REGION ENTERED BY TIME OVERSEAS (%)

	Internationalised in past 5 years	Internationalised 5+ years ago
USA	18	12
China	13	6
New Zealand	11	12
UK	5	15
Hong Kong	5	4
Singapore	4	6
Malaysia	4	5
Japan	3	8
Indonesia	3	4
REGIONS		
Asia	47	40
North America	19	13
Oceania	13	20
Europe	11	20
Africa & the Middle East	7	2
Central & South America	0	1

The rise of China among the recently internationalised: When we break the organisations up into those who first internationalised within the past 5 years, and those who internationalised more than 5 years ago, the rise of China is very apparent. China leaps into second spot (13%, up from 6%) among first countries entered (see Figure 33). The USA has also become more popular (18%, up from 12%). The rise of these two economic giants appears to have been at the expense of the UK (5%, down from 15%) and Japan (3%, down from 8%). The rise of China accounts for all of the increase in the propensity to commence the international journey in Asia between the two periods (47%, up from 40%). Another region on the rise is Africa & the Middle East (7%, up from 2%), while Europe and Oceania have declined.

The personal motivation for taking the first step: We ask our survey participants to identify their personal motivations for pursuing international engagement. This is distinct from the business drivers behind their organisation's engagement. As Figure 34 shows, the owner-operators identify previous travel (37%) and seeking a greater challenge (37%) as their key drivers, followed by their previous work in an international context (32%). Previous international work experience is the most common motivation (34%) for the women employed in strategic roles in internationally-engaged organisations. Having a perceived language or cultural advantage is a motivator for only a relatively small proportion of the women we surveyed.

FIGURE 34: PERSONAL MOTIVATIONS FOR INTERNATIONALISATION (%)



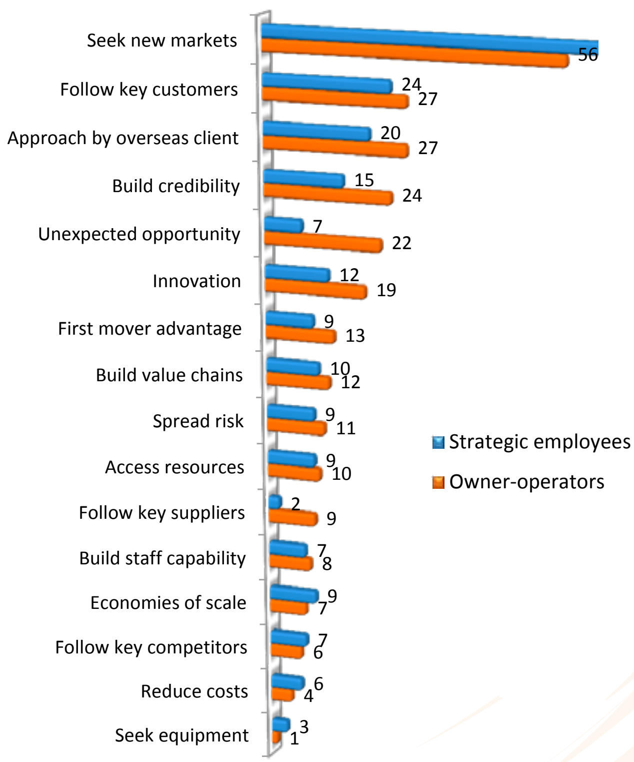
Note: Respondents could identify >1 motivation

Multiple organisational motivations for taking the first step: The rationales at an organisational level for initial internationalisation vary considerably. Just over half of the instances of initial international engagement (56% for owner-operators, 62% for employees in strategic roles) were motivated by the pursuit of new markets (see Figure 35). One focus group entrepreneur explained that it was the size of the market that made all the difference with Asia being the main choice of market for her business. A considerable portion (27% and 20% respectively) were somewhat more reactive, as their initial internationalisation was the result of an approach by an overseas client, while for owner-operators over a fifth (22%) indicated their expansion was triggered by an unexpected opportunity. This was far less common (only 7%) among employees in strategic roles. This may reflect the more serendipitous nature of running a smaller business versus the more structured strategic planning of larger organisations. Of course, while responding to an unexpected opportunity, or an approach by an overseas client might be seen as reactive, the choice to take up the prospect is a proactive one. Supporting domestic organisations' capacity and willingness to take such chances is crucial to further boosting the number of women-owned and driven Australian businesses to take their first step into global markets. A focus group member highlighted how her firm's initial overseas move was triggered by an unexpected approach, yet reflected her perception of the next step.

> *"When you look at the numbers in Australia I have a market of 20 million people or I have a market of two billion people in Asia…. What are you going to go for? …..You're going to go for the two billion people"*

> *"We've got a very niche business; so niche that I've got to take it overseas because the market is too small in Australia…… So it was partly in my head but then this [opportunity] happened and it made me aware that we do have something really good to offer international markets."*

FIGURE 35: ORGANISATIONAL MOTIVATIONS FOR INTERNATIONALISATION (%)



Note: Respondents could identify >1 motivation

Internationalisation to gain credibility: Owner-operators are also more likely (24%) to view internationalisation as a path for gaining credibility. This may explain the aforementioned early age at which their organisations entered the international arena – being international may be a way to *bat above one's average* as a young SME. One businesswomen in our focus group explained that she felt not having a pre-existing reputation in new markets was refreshing relative to Australia where what you had done before was overly emphasised and valued.

> *"Australians are very different in the way they think. [Being international means we can] get on a plane and go and present to a room full of people and they judge you on your work on that day…"*

Supply chain-driven motivations: The supply chain of the organisations also impacts on the motivations to internationalise. Key customers pull organisations into new markets (27% of owner-operators, 24% for employees in strategic roles) a lot more often than key suppliers (9% and 2% respectively). Pursuit of more efficient value chains (12% and 10%) and also economies of scale (7% and 9%) do motivate some expansions. Promisingly, a fifth (19%) of the smaller owner-operators identify innovation as a motivation. This is indicative of considerable ambition for such SMEs.

Different locations are driven by different motivations: Figure 36 breaks up the organisational motivations by first country entered, taking the four most common locations – the USA, UK, New Zealand and China. This offers much greater insight into the variation in strategies and logics behind the initial moves. Initial moves into the USA (cited in 77% of the instances where organisations entered the USA first) and New Zealand (75%) are much more likely to be driven by the pursuit of new markets than entries into China (50%). Organisations often follow key customers to the USA (41%), China (25%) and the UK (20%), but rarely to New Zealand (9%). Both the USA (26%) and China (17%) are seen as sources of innovation to a much greater extent than the UK (11%) or New Zealand (6%). Organisations seeking economies of scales look to the biggest economies – the USA (15%) and China (13%) - although when seeking to exploit a first mover advantage, the USA is the most likely target market (18%). China's big lures look to be in the supply chain area, with a strong pull from resource access (29%), efficient value chains (25%), key suppliers (13%) and reduced costs (13%). Moves to New Zealand are disproportionately motivated by a desire to spread risk (19%), which may reflect the relative ease with which such a move can be made. New Zealand is also viewed (by 13%) as an avenue for reduced costs.

FIGURE 36: ORGANISATIONAL MOTIVATIONS BY FIRST COUNTRY ENTERED (%)

	USA	UK	NZ	China
Seeking new markets	77	66	75	50
Following key customers	41	20	9	25
Credibility gained from being international	28	6	16	33
Innovation	26	11	6	17
Being approached by an overseas client	23	17	25	29
Exploiting first mover advantage	18	6	6	4
An unexpected opportunity prompted engagement	15	14	9	13
Accessing resources	15	11	6	29
Pursuing economies of scale	15	6	9	13
Following key competitors	13	3	13	13
Building efficient value chains	8	9	9	25
Following key suppliers	8	6	6	13
Spreading risk	5	6	19	0
Building staff capabilities	5	6	3	13
Reducing Costs	3	0	13	13
Seeking equipment	0	0	0	4
Percentage of respondents entering this country first	*14*	*12*	*11*	*9*

Note: Respondents could identify >1 motivation

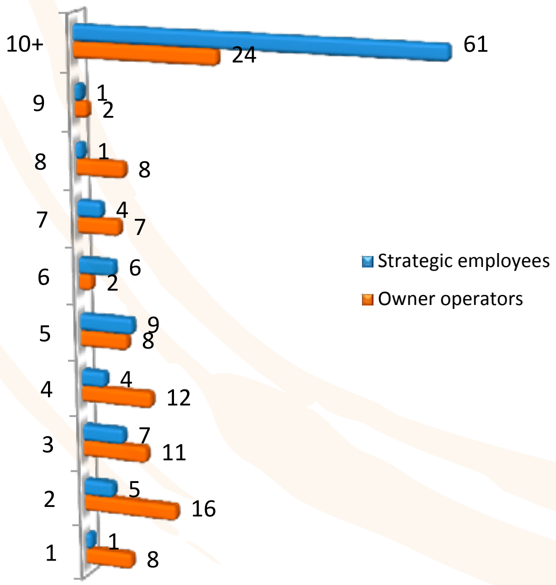
6. Scope of International Expansion

Internationalisation is about more than the initial step. Our findings show Australia's international businesswomen have piloted organisations into a large number of locations. The rise of Asia – especially, but not exclusively, China – continues.

Global footprint: As Figure 37 shows, just over half (51%) of the women-owned organisations in our sample have already expanded to 5 or more countries, with 24% in 10+ foreign markets. The organisations employing women in strategic roles are more advanced along their internationalisation paths, with 61% in 10+ countries.

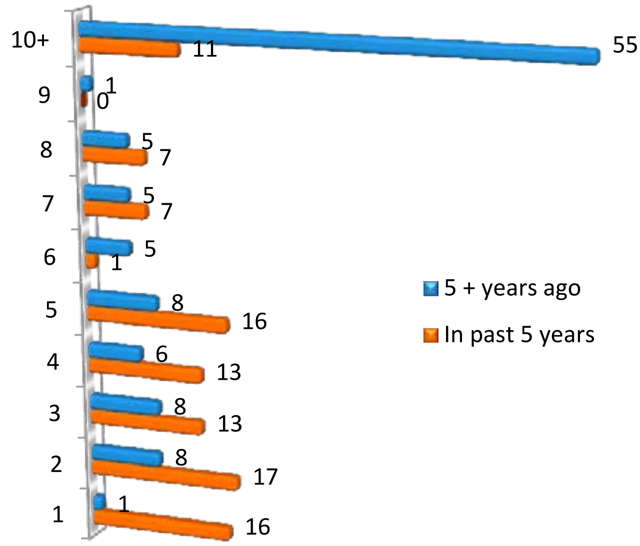
Global footprints take time: A great deal of this variation is the result of the different *time in international arena* between the two groups. As Figure 38 shows, 79% of the organisations who internationalised 5+ years ago are now in 5 or more countries, while among those who internationalised in the past 5 years, 59% are in less than 5 markets. Internationalisation takes time. A surprising 11% of the organisations in our sample who internationalised in the past 5 years have already managed to reach 10+ markets.

FIGURE 37: NUMBER OF COUNTRIES (%)



Locational priorities: When asked the most important international location in which they operate, our sample was clear that there are two dominant destinations – China and the USA.

FIGURE 38: NUMBER OF COUNTRIES (%)



Taken as a whole, a third of our internationalised organisations (34%) indicated China was most important (see Figure 39), followed by the USA (23%).[11] Among the employees in strategic roles, China (40%) was listed #1 twice as often as the USA (20%), with no other country registering more than 4% of the sample. Within the female owner-operators, views were more evenly split, with the USA (26%) and China (24%) taking first and second place, and the UK (9%) and Japan (6%) the priority of a small number of women.

FIGURE 39: MOST IMPORTANT INTERNATIONAL MARKETS (%)

		All international	Owner-operators	Strategic employees
	China	34	24	40
	USA	23	26	20
	UK	7	9	4
	Japan	4	6	4
	New Zealand	4	3	4
	Singapore	3	2	4
	India	3	2	4

Again, these results are echoed when the data are broken down by time overseas (see Figure 40). Firms who internationalised recently are evenly split between the USA (26%) and China (24%), while those who have operated internationally for 5+ years, lean more towards China (36%).

FIGURE 40: MOST IMPORTANT MARKET BY TIME OVERSEAS (%)

		Internationalised in past 5 years	Internationalised 5+ years ago
	China	24	36
	USA	26	22
	UK	7	8
	Singapore	7	2
	New Zealand	5	3
	Philippines	4	1
	Japan	3	6

Regional priorities: When asked the same question with regard to the most important region, Asia comfortably wins out. As Figure 41 shows, Asia was cited by 29% of all respondents, 23% of owner-operators, and 32% of employees in strategic roles. A further (12-15%) specifically identified North and Eastern Asia, and 7-12% South-East Asia. In total, Asia in some form is the regional #1 for just over half (52%) of the internationally-active respondents. The Americas (either North America specifically, or the region more generally), was indicated by around 27% of the internationally-active respondents, with owner-operators more America-focussed (30%) than their employed counterparts (24%). Europe and Oceania trailed considerably. These rankings were consistent across those who have internationalised recently and those who first ventured abroad more than 5 years ago.

FIGURE 41: MOST IMPORTANT INTERNATIONAL REGION (%)

	All international	Owner-operators	Strategic employees
Asia	29	23	32
North & Eastern Asia (e.g. Greater China, Koreas, Japan)	14	15	12
North America	13	18	11
The Americas	13	12	13
South-East Asia	9	7	12
Europe	6	8	4
Oceania	6	6	4

7. International Expansion Success

International expansion is not a sound business strategy in and of itself. It needs to reap rewards in terms of meeting some organisational objectives. The evidence from these Australian businesswomen is very positive on this front.

Operating internationally has delivered considerable growth in sales, employment and performance. These returns appear to grow over time: Australia can expect an even greater positive economic impact in the medium term.

As Figure 42 shows, when asked to rate (on a 7 point scale) the success of their internationalisation along a range of measures, the mean scores are consistently in the positive realm (above 4). The most highly rated impacts are on the organisation's image, overall strategic position, improved competitiveness and upgrades in staff capabilities. The employees in strategic roles awarded considerably higher scores on each dimension of success, although, as Figure 43 indicates, much of this may be the result of the longer time these employees' organisations have operated internationally.

"A global market is a lot more exciting because you can look at other markets and see what they're doing there and apply it elsewhere, so there's a lot more on offer."

FIGURE 42: RATING OF SUCCESS FROM INTERNATIONALISATION

Our international operations...	All international (Mean)	Owner-operators (Mean)	Strategic employees (Mean)
... are very profitable.	5.11	**4.72**	**5.51**
... have generated a high volume of sales	4.97	**4.41**	**5.50**
... achieved rapid growth	4.80	**4.37**	**5.17**
... have improved our competitiveness	5.60	**5.22**	**5.97**
... have strengthened our overall strategic position	5.96	**5.72**	**6.20**
... have led to increased innovation	5.47	5.56	5.48
... have improved the capabilities of our staff	5.51	**5.29**	**5.74**
Internationalisation has had a positive effect on our organisation's image	6.13	6.05	6.26

Note: These measures are mean scores on a 7 point Likert scale from "Strongly Disagree"=1 to "Strongly Agree"=7. Bolded pairs indicate a statistically significant difference (99% level) between the Owner-operators and Employees in strategic roles.

Success keeps coming: Figure 43 also shows, organisations who have operated internationally for 5 or more years report significantly higher success from their ventures, most noticeably on the more *traditional* measures such as profitability, sales volumes and growth. This is consistent with the empirical evidence globally on the typical impact of internationalisation of firms.[12] The early stages inevitably involve greater costs and uncertainty, as the organisation faces a steep learning curve and establishment costs. Over time the benefits kick in, as these data clearly show. Again, with so many of the women-owned organisations in our survey in the early stages of the internationalisation journey, the most substantial rewards should be still to come.

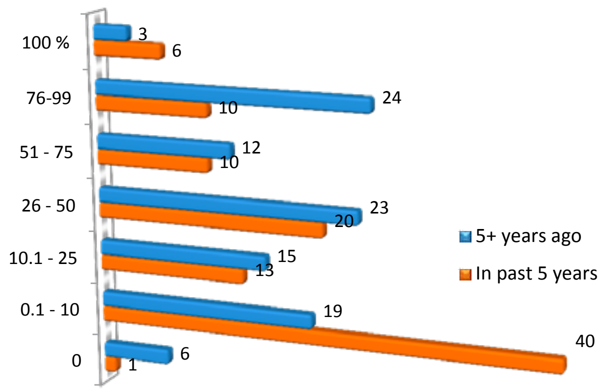
FIGURE 43: RATING OF SUCCESS FROM INTERNATIONALISATION BY TIME OVERSEAS

Our international operations...	Internationalised in past 5 years (Mean)	Internationalised 5+ years ago (Mean)
... are very profitable	**4.60**	**5.30**
... have generated a high volume of sales	**4.17**	**5.24**
... achieved rapid growth	**4.30**	**4.99**
... have improved our competitiveness	5.27	5.69
... have strengthened our overall strategic position	**5.58**	**6.11**
... have led to increased innovation	5.17	5.63
... have improved the capabilities of our staff	5.21	5.64
Internationalisation has had a positive effect on our organisation's image	5.93	6.23

Note: These measures are mean scores on a 7 point Likert scale from "Strongly Disagree"=1 to "Strongly Agree"=7. Bolded pairs indicate a statistically significant difference (99% level) between the more recent and 5+ years ago groups.

Sales success: The evidence on foreign sales as a percentage of total sales reinforces this point about the likely upswing in a payoff from international expansion. Over a quarter (27%) of the organisations who internationalised 5+ years ago now make more than 75% of their sales offshore (see Figure 44), and only a quarter make 10% or less. For more recent international entrants – those who internationalised in the last five years – 16% have moved very quickly into international markets, and are above 75% foreign sales. Most are still building an international client base – 41% are still at 10% or less in foreign sales.

FIGURE 44: FOREIGN SALES AND % OF TOTAL SALES BY TIME INTERNATIONALISED



Foreign sales growth: Operating internationally is not easy. As Figure 45 shows, almost half (47%) of the owner-operators report foreign sales growth over the past 12 months of less than 10%. Indeed, 9% of these businesses experienced a foreign sales decline. This is not simply a reflection of the smaller size of these organisations. The much larger organisations employing women in strategic roles actually report poorer numbers, with 55% experiencing less than 10% foreign sales growth. On the other hand, 16% of the owner-operators more than doubled their foreign sales, as did 4% of the firms employing women in strategic roles. This should not be seen as warning about the risks of internationalisation *per se*. As Figure 45 also reports, total sales growth mirrored the foreign sales data quite closely. There is a likely positive relationship between sales success in these two arenas. The very strong expansionary path of some of the women-owned organisations is also apparent here, with 19% more than doubling their sales in the past year, and over a third (35%) boosting sales by at least 40%.

FIGURE 45: SALES GROWTH OVER PAST YEAR – FOREIGN AND TOTAL (%)

Sales growth (%)	Owner-operators – internationally engaged		Strategic employees - internationally engaged	
	Foreign	Total	Foreign	Total
<0	9	8	9	10
0	22	16	20	17
0.1-9.9	16	14	26	25
10-19.9	21	16	16	20
20-29.9	5	3	14	9
30-39.9	5	8	3	4
40-99.9	8	16	9	11
100+	16	19	4	4

Early wins drive sales growth: While stepping into the international arena for the first time means starting from scratch, there is scope to boost sales substantially off a low base in the early years. Figure 46 reflects this, as it shows that those women whose organisations internationalised in the past five years reported some of the highest growth rates in foreign sales. Almost a quarter (24%) had more than doubled sales in the past years, and a further 14% have at least 40% foreign sales growth. There is a clear positive *spillover effect* from internationalisation for these businesses, with over half (52%) experiencing total annual sales growth (i.e. foreign plus domestic) over 40+%. Of course, such high numbers are difficult to sustain in percentage terms as the organisation's sales base grows. Figure 46 shows lower sales growth for the businesses who internationalised more than five years ago. Most (51%) grew total sales by between 0.1 and 19.9% over the past year, while roughly a quarter (26%) were stagnant or experiences a sales decline. These numbers are paralleled in the foreign sales growth data. It may be that these businesses have picked most of the *low hanging fruit* after five years, and are now tackling tougher new markets. Operating across multiple locations also tends to put pressure on organisational structures. The needs of these *middle aged* international firms should not be ignored by policy makers and support agencies. Sustaining growth and handling the transition to a more complex multinational organisational structure can reap substantial gains for organisations and the economy more generally.

FIGURE 46: SALES GROWTH OVER PAST YEAR – FOREIGN AND TOTAL (%)

Sales growth (%)	Internationalised in past 5 years		Internationalised 5+ years ago	
	Foreign	Total	Foreign	Total
<0	5	6	11	11
0	22	19	19	15
0.1-9.9	12	7	25	26
10-19.9	10	4	24	25
20-29.9	10	7	7	4
30-39.9	3	6	4	6
40-99.9	14	26	6	8
100+	24	26	4	5

Sales growth not mirrored by employment growth: Sales growth does not necessarily flow through to employment growth, at least not immediately. As Figure 47 shows, most of the internationally-engaged women-owned businesses are doing more with the same number of staff. More than half (56%) made no change to headcount over the past 12 months. Only 19% increased their workforce by more than 10%. Many of the larger organisations that employed women in strategic roles (30%) are actually doing more with less, as they cut staff numbers. While operating internationally is certainly delivering sales growth for most firms, pressures for efficiency curtail the flow-on effects to employment growth. It may also be that there are skills gaps with respect to these businesses' international business needs. In the third annual survey we will ask additional questions about any hurdles organisations might be facing in the labour market for internationally capable hires.

FIGURE 47: GROWTH IN NUMBER OF EMPLOYEES OVER PAST YEAR (%)

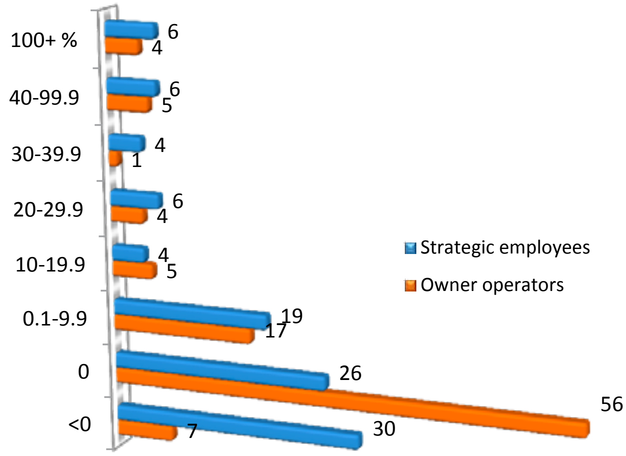
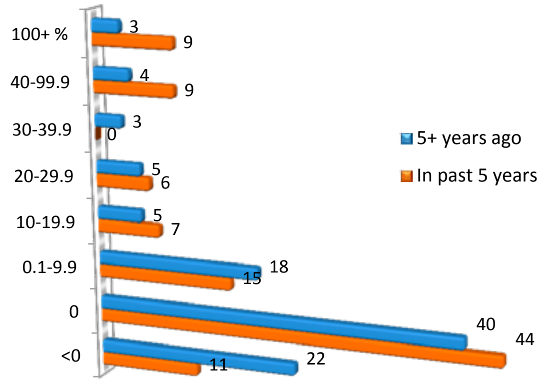


Figure 48 does indicate that the more recently internationalised organisations experience an employment boost, with 31% increasing their staff numbers by 10% or more.

FIGURE 48: GROWTH IN NUMBER OF EMPLOYEES BY TIME INTERNATIONALISED (%)



Expansion intentions: While internationalisation clearly brings challenges (see the Section 8 for further discussion), the women we surveyed are keen to continue expansion. Approximately three quarters (74%) of the owner-operators intend to expand their business into more countries in the next 12 months, and none expect to operate in less markets (see Figure 49). This proportion is slightly higher than in our first survey when 70% has expansionary intentions. The women employed in strategic roles were not as optimistic about ongoing growth, but still more than a half (54%) expected to enter new markets in the next year.

Our longitudinal panel also allows us to assess the *follow through* on these intentions. Of the women in the first survey who indicated an intention to expand, 60% did so. Interestingly, 18% of those who expected no such expansion did end up in more markets. This does speak to the often serendipitous nature of business growth and the capacity of these women to respond to opportunities that unexpectedly arise.

Finally, it is worth remembering that for many business owners and employees there are also intrinsic personal benefits from operating internationally.

"If I was doing this for the money I would be doing something completely different. I'm not doing it for the money, I'm doing it to establish something which has never been done before. "

FIGURE 49: INTERNATIONALISATION INTENTIONS (%)

We are seeking to...	All international	Owner-operators	Strategic employees
Expand the number of countries in which we operate	60	74	54
Maintain the number of countries in which we operate	39	26	44
Reduce the number of countries in which we operate	1	0	2

8. Barriers to International Growth

Women face considerable barriers as they make the leap into foreign markets, and as they continue expanding their international interests. Female owner-operators consistently rate more barriers as substantially hindering their efforts than their employed counterparts.

There are also substantive differences between the issues highlighted by each group. Among the most substantial are: the high $A, difficulty locating a suitable distributor, red tape issues in establishing foreign operations, a lack of resources to cover the investment timeframe (especially relative to the costs), and a lack of alternative sources of capital.

Figure 50 identifies those barriers women indicate have been most substantial. We have broken these up between external risks, knowledge constraints, procedural challenges, and resource barriers.

The most common issue that Australian businesswomen indicate has substantially hindered their internationalisation efforts is the high value of the Australian dollar. Almost half (45.8%) of the women employed in strategic roles rate this as a major hindrance, as do about a third (35.9%) of the owner-operators. This external risk was also the number one barrier identified for Australian international businesses generally in the recent *Australian International Business Survey* report. The strategic employees also see currency risk and strong overseas competition as considerable constraints to growth. These issues do not rate as highly with the owner operators. This may reflect that the owner-operators are typically in a smaller number of countries, and perhaps also in more niche markets, thus exposing them to less currency variability and fewer aggressive competitors. With recent depreciation in the Australian dollar, at least against the US dollar, this external barrier may have weakened.

FIGURE 50: MOST IMPORTANT BARRIERS TO DOING INTERNATIONAL BUSINESS (%)

	Hindered	
	Owner-operators	Strategic employees
EXTERNAL RISKS		
High value of the Australian dollar	35.9	45.8
Risk from variation in exchange rates	*20.7*	35.8
Strong overseas competition	*18.1*	30
KNOWLEDGE		
Locating a suitable distributor or distribution channels	33.6	21.5
Lack of transparency in host market business practices	20.0	28.7
PROCEDURAL		
Documentation and red tape required to establish operations	32.7	31.2
Transportation costs and shipping arrangements	28.1	*18.1*
Tariff barriers to exports	27.1	21.7
Nontariff barriers, e.g. product certification	*20.7*	24.0
RESOURCES		
Lack of resources to cover period of time needed to recover investments	31.3	25.3
Lack of alternative sources of capital	29.8	*7.5*
Lack of local banks with adequate international expertise	29.6	*4.0*
Reluctance of bank/financial institutions to fund expansion	28.9	*12.5*
High costs of establishing international operations	27.2	26.5

Note: Respondents rated each barrier on a 7-point scale from 1= "did not hinder" to 7= "hindered enormously". On the above Figure "Hindered (%)" captures respondents rating a barrier "6" or "7". Scores in italics fall outside the top 10 most substantial barriers encountered by that segment of women.

Different groups experience different barriers:
Owner-operators more frequently rate the challenge of locating distributors as a sizeable barrier, while the strategic employees report greater concern with the transparency of business practices in host markets. This demonstrates the somewhat different phases of internationalisation between these groups. The owner-operators are still overcoming knowledge gaps so as build a network of reliable distributors. Meanwhile, the strategic employees appear more occupied with how to manage such relationships day-to-day and compete on a more even footing.

On the procedural front, both groups battle with red tape and documentation issues when setting up operations in new locales. Owner-operators also feel hindered by shipping arrangements and transport costs and tariff barriers, while the strategic employees more frequently raise non-tariff barriers, such as product certification.

Accessing resources is constraining growth:
With respect to resource constraints, both groups feel hindered by the high costs of establishing international operations, and the timeframes required to cover such outlays and recover investments. There is very high divergence on more specific financing issues, with owner-operators rating lack of alternative sources of capital, lack of local banks with international expertise, and financial institutions unwillingness to fund internationalisation efforts as major hurdles to growth. In contrast, strategic employees rarely rate this issue highly. We also reported this discrepancy in our inaugural Report. Our concern that this may be an ongoing obstacle for women-owned businesses and/ or internationalising SMEs led us to include more specific questions on this issue in the second survey. These are reported in the following section.

Life doesn't get easier: Our longitudinal panel also allows us to track changes in perceptions of barriers over the past 12 months. The expectation would be that internationalisation would become easier for any given businesswoman through experiential learning, mentoring, and support networks. The survey results indicate the opposite to be the case, however. When comparing the ratings given on this year's survey versus last year's, on only seven of the 31 barriers tracked did more women rate the issues as a lower hindrance than a higher hindrance. Figure 51 shows the top five most improved barriers (i.e. those that were perceived as lower) and the five deteriorated barriers. There was a 30 percentage point gap between those who rated the risk of losing money selling abroad lower and those who rated it higher. Of the barriers consistently ranked a significant hindrances, only high establishment costs was perceived by more women as declining as a hurdle.

In contrast, some of the most deteriorated barriers were already on the radar as common hindrances. Lack of alternative sources of capital was rated as a more substantial hindrance this year by 52% of the tracked respondents compared to last year, while only 16% gave it a lower rating. Ongoing problems accessing capital (discussed in the Section 9), may be behind the emergence of insufficient production capacity as a barrier to greater international successs.

Despite the efforts of networks such as Women in Global Business (see Section 11), our longitudinal evidence does point to ongoing challenges for Australian businesswomen as they attempt to grab international opportunities. One owner-operator did have some positive advice to offer.

"There are numerous roadblocks to anything you do in international business. But, there's never a problem, there's a solution to that problem, and if you use that mantra you will always find the way to make that path successful. And it's finding the path of least resistance, because you can really complicate those processes in international business. You need to find the legitimate way of finding the path of least resistance"

FIGURE 51: TOP 5 MOST IMPROVED AND WORSENED BARRIERS (%)

	Difference between hindrance rating between surveys (% who reported lower)
IMPROVED BARRIERS	
Risk of losing money by selling abroad	30
Cultural differences	23
Political instability in a destination country	21
High costs of establishing international operations	19
Language differences	8
DETERIORATED BARRIERS	
Lack of alternative sources of capital	-36
Locating a suitable supplier or supply channels	-32
Nontariff barriers, e.g. product certification	-31
Transportation costs and shipping arrangements	-25
Insufficient production capacity in your organisation	-18

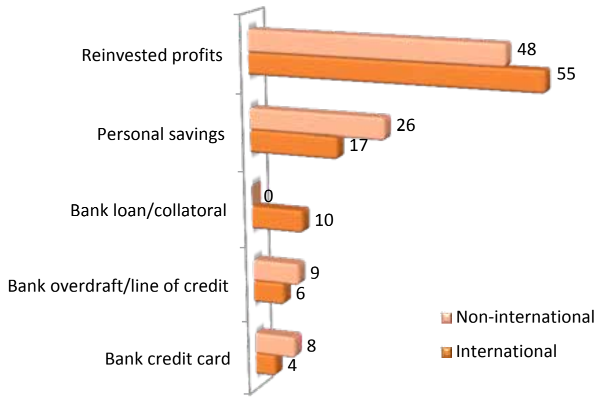
9. Funding Challenges

The area where Australia's female owner-operators and their employed counterparts most diverge is with respect to their experiences of accessing finance for global expansion.

Expansion constrained by financing difficulties:
As discussed above, 74% of internationally-engaged owner-operators are looking to expand the number of countries in which they operate in the near future. This is outpacing the intentions of the employees in strategic roles. However, when asked to indicate the extent to which their expansion efforts have been hindered by various possible barriers, it does become apparent that Australian owner-operators have encountered considerable constraints from limited access to finance. This contrasts starkly with their employed counterparts who saw little hindrance from low local bank expertise in assisting internationalisation, inadequate foreign networks or finding alternative sources of capital. This year's survey, for the first time, asked Australian female owner-operators about the mechanisms they access, and try to access, to fund their business expansion. The findings are stark. Most women report substantial difficulties attracting the necessary capital from local financial institutions. This is a strong constraint on their internationalisation ambitions, and a handbrake on future growth of the Australian economy.

Banks playing only a minor financing role:
As Figure 52 shows, most of these women-owned organisations do not rely on banks as the primary source of capital. The majority rely on reinvested profit. Personal savings are drawn upon by 17 percent of the internationally-engaged businesses and 26% of those yet to internationalise. These are typically those still in the start-up phase. Funds from banks were the primary source of funding for only 20% of the internationally-engaged organisations, and slightly fewer (17%) domestic businesses.

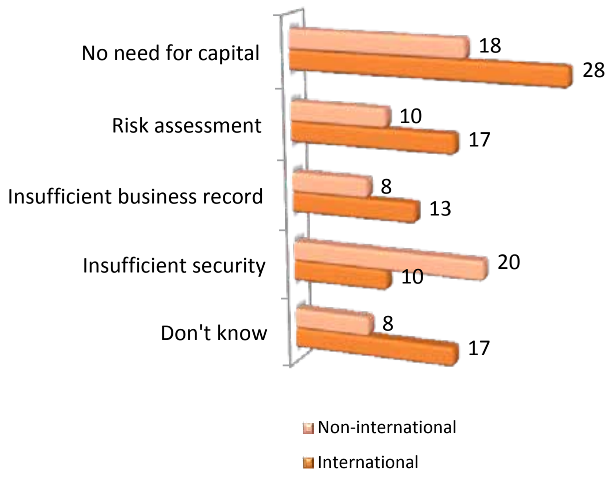
FIGURE 52: PRIMARY SOURCE OF CAPITAL FOR WOMEN OWNED ORGANISATIONS (%)



These financing patterns carry over into the specific area of funding international expansion efforts. Only around one fifth (21%) of the internationally-engaged owner-operators had attempted to borrow to fund international business opportunities. More alarmingly, only 27% of these attempts were successful. This amounts to a very small proportion of internationalisation endeavours being actively supported by Australian lending institutions. Only a tiny proportion (4%) of the owner-operators who are yet to internationalise have attempted to borrow to fund international business opportunities. None were successful.

Owner-operators lack confidence in their bank dealings:
We asked the 78% of internationally-engaged owner-operators, and 96% of not-international owner-operators who had not attempted to borrow to fund international business opportunities why this was the case. As Figure 53 shows, an insufficient track record or insufficient security deterred around a quarter of these women (23% of the internationally-engaged, 28% of the not internationally engaged). A further 17% of internationally engaged owner-operators assessed the risk of such borrowing to be too high, while 28% did not see a need for additional capital.

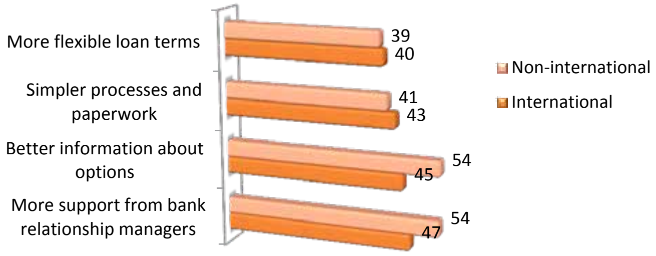
FIGURE 53: REASONS FOR NOT BORROWING FOR INTERNATIONAL EXPANSION (%)



A systemic problem: The sophistication of Australia's modern banking system, and our low cost of capital in comparison to many emerging economies, should be a source of advantage to Australian entrepreneurs. Despite weathering the Global Financial Crisis relatively unharmed, Australia's institutions appear overly conservative and risk averse. Among the internationally-engaged owner-operators, 23% rated the level of ease in accessing finance for international expansion as *very difficult*, and 32% rated it *difficult*. Only 2% rated it as *very easy*, and 8% as *easy*. Just over a third of owner-operators (36% for both the internationalised and not-yet-internationalised groups) felt financial institutions did not offer an environment in which they were at ease discussing their financing needs.

A sizeable portion of the respondents felt banks could be doing more to make access to capital easier. As Figure 54 shows, around half saw an opportunity for bank relationship managers to offer more support.

FIGURE 54: SUGGESTED ACTIONS TO OVERCOME ACCESS TO CAPITAL BARRIERS (%)



Similar numbers advocated better information about funding options. Also backed were suggestions to make processes and paperwork simpler, and explore offering more flexible loan terms. The latter proposal is consistent with frequently cited barrier of the long payoff timeframe from internationalisation. In open text responses the female owner-operators make repeated calls for more face-to-face contact and consistency of personnel, and for financial institutions to hire staff who better understand running a business.

When asked specifically whether they thought there was a difference in their ability to access finance because of their gender, 39% of internationally-engaged owner-operators and 52% of not-international owner-operators said "yes". Only a small minority of our respondents indicated any preference for dealing with a woman at their financial institution. The Export Council of Australia's recent report, which did not investigate gender differences, found a very comparable number of businesses (62%) felt sourcing funds from Australian financial institutions for international business was difficult or very difficult.

Bigger than a bank issue: In the focus group conversations, many of the owner-operators pointed the blame not just at lending institutions, but also constraints imposed by regulation on other potential funding sources such as superannuation and managed funds. One particular frustration was the inflexibility of various government seed funds and export promotion agencies that will only support entities that have staff on the ground in Australia. While understandable from an economic policy perspective, it does limit the choices of Australian entrepreneurs, in that they may not be able to seek funding to proactively commence their operations close to key customers. Others raised concerns about the complexity of seeking any such government support. Two suggested remedies in these areas would be reductions in red tape, and the development and promotion of export grants and export credit facilities specifically targeted at women-led SMEs.

10. Life as an International Businesswoman

Working in the international business arena is very time-consuming. With the exception of Asia where Australia is well placed at least from a time zone perspective, other key global markets are distant. Our survey reveals the tough work-life balance issues faced by Australian businesswomen.

Time commitments: Running an international business is a hefty time commitment. Over half (58%) the internationally-engaged owner-operators work more than five days a week on their business (see Figure 55). Owner-operators whose organisations are not yet international are more likely to report that they work less than five days a week (25%) versus 11% of their internationalised counterparts. But this is still the minority, with 44% working six or seven days a week. Employees in strategic roles in international firms typically work the more traditional five day week (66%), although 23% still report their normal workload extends beyond those days.

FIGURE 55: TYPICAL WORKLOAD IN DAYS (%)

Typical working week	Owner-operators – internationally engaged	Owner-operators – not internationally engaged	Strategic employees - internationally engaged
2 days	2	0	0
3 days	5	10	6
4 days	4	15	6
5 days	31	32	66
6 days	36	37	16
7 days	22	7	7

When described in terms of weekly hours, the high workload becomes even more apparent. As Figure 56 shows, working less than 40 hours a week is unusual. Just less than a third (29%) of the solely domestic owner-operators report such a workload, while the percentage drops to 18% of the employed women in international strategic roles, and 17% of the internationally engaged owner-operators. Over a third (36%) of this latter group work 60+ hours a week.

FIGURE 56: TYPICAL WORKLOAD IN HOURS (%)

Typical working week	Owner-operators – internationally engaged	Owner-operators - not internationally engaged	Strategic employees – internationally engaged
1-10 hours	2	5	5
10-19 hours	2	7	1
20-29 hours	7	15	4
30-39 hours	6	2	8
40-49 hours	22	32	39
50-59 hours	25	15	30
60-69 hours	21	17	10
70+ hours	15	7	4

On the road: In this survey we also asked about travel requirements. Almost a quarter (24%) of the internationally active owner-operators make five or more business trips year (see Figure 57). Employees in strategic roles in international active firms travel in even greater numbers, with 36% making five or more trips annually. It is also worth noting that operating domestically still often requires international travel (e.g. to make supplier contacts, investigate innovations, attend industry events). The majority (62%) of the not yet international owner-operators travel overseas for work at least once annually, and 11% make at least three such trips.

FIGURE 57: INTERNATIONAL BUSINESS TRIPS PER YEAR (%)

Number of trips	Owner-operators – internationally engaged	Owner-operators - not internationally engaged	Strategic employees – internationally engaged
0	12	38	12
1	14	33	12
2	20	20	16
3	17	5	12
4	13	3	12
5+	24	3	36

Work and home life commitments: All of these time commitments can be tough to juggle with home life. As Figure 58 shows, around a quarter to a third of the businesswomen have children at home. Only small numbers have children under the age of five, but juggling lengthy working weeks and schooling commitments is an ongoing challenge. It is noteworthy that a greater proportion of the employees in strategic roles in international active firms have school age children. The hours of employment may be somewhat more predictable, and there may be a preference for avoiding weekend work. Nevertheless, the frequent international travel associated with such roles is certainly burdensome, especially for those with parenting commitments. An internationalised owner-operator, whose children have recently left home, described the freedoms she now has to pursue her ambitions.

"I can now do more things. Instead of flying over for a meeting, through the night, then getting straight back on the plane to get back to the children, I can now think about doing more with my time and staying longer..."

Of course, it is not simply caring for children which must be balanced with work. Almost a quarter (23%) of the internationally active owner-operators, and 18% of the strategic employees, indicated they had spent time looking after a family member other than a child in the past two weeks. With the greying of the Australian population, such situations are sure to rise, creating further work-life balance challenges.

FIGURE 58: CHILDREN IN HOUSEHOLD (%)

Children at home	Owner-operators - internationally-engaged	Owner-operators - not internationally engaged	Strategic employees – internationally engaged
Yes	28	25	30
1	8	10	10
2	13	12	15
3	4	0	3
4+	3	2	2
Children under 5	5	2	7
Children 5-12	10	8	14
Children 13-18	13	6	12
Children 19+	12	14	6

Balancing work and family life: By its nature work-family balance involves tensions. We asked the businesswomen to indicate their (dis)agreement with a range of statements about the way in which they experience and manage demands from work and family. Figure 59 reports their mean scores across ten different statements. The first five reflect situations where work interrupts family life. The following five capture family life interfering with work.

The mean scores for work interfering with family are substantially higher than for family interfering with work. Employees in strategic roles in international active firms display the greatest imbalance, with work being much more disruptive. This is likely to reflect the lack of flexibility entailed in working long hours in more defined time period (e.g. 5 days), and the higher proportion of these women with school-age children. Comparing the internationally-engaged owner-operators and the solely domestic business owners, the former group report greater disruptions on both sides of the ledger, reflecting the higher time burden operating internationally represents. It appears likely that some female business owners are choosing to stay domestic so as to avoid greater work-family imbalances. A focus group participant summarised the challenges many parents face.

"It wouldn't matter what kind of company you have, your children are still first priority, so it's difficult to travel, especially in global business. To combine travel with work and have children, whether you have a partner or not is very difficult because your focus is different."

FIGURE 59: THE STRUGGLE TO BALANCE WORK AND FAMILY LIFE (%)

	Owner-operators - internationally engaged	Owner-operators – not internationally engaged	Strategic employees – internationally engaged
WORK INTERRUPTS FAMILY LIFE *(MEAN OF 5 ITEMS BELOW)*	**4.24**	**3.70**	**4.63**
The demands of my work interfere with my home and family life	4.29	3.88	4.83
The amount of time my job takes up makes it difficult to fulfil family responsibilities	4.00	3.42	4.49
Things I want to do at home do not get done because of the demands my job puts on me	4.73	4.15	4.86
My job produces strain that makes it difficult to fulfil family duties	3.85	3.42	4.14
Due to work-related duties, I have to make changes to plans for family activities	4.31	3.61	4.81
FAMILY LIFE INTERRUPTS WORK *(MEAN OF 5 ITEMS BELOW)*	**3.43**	**3.08**	**3.17**
The demands of my family or spouse/partner interfere with work-related activities	3.88	3.42	3.82
I have to put off doing things at work because of demands on my time at home	3.48	3.05	3.36
Things I want to do at work don't get done because of the demands of my family or spouse/partner	3.47	3.14	2.93
My home life interferes with my responsibilities at work such as getting to work on time, accomplishing daily tasks, and working overtime	3.03	3.00	3.01
Family-related strain interferes with my ability to perform job-related duties	3.29	2.78	2.72

Note: Respondents rated each item on a 7-point scale from 1= "strongly disagree" to 7= "strongly agree".

11. Support for Australia's International Businesswomen

Embracing international business opportunities is not easy. Constrained by limited access to finance, the move can appear very daunting. Nevertheless, numerous organisations, often led by women entrepreneurs, have made this leap. We identified several key support mechanisms that women have tapped into.

As this report has shown, successful internationalisation requires resources, knowledge, and time.

"I didn't know the questions that I needed to ask or who to ask to get the answers I wanted to get."

Roughly two fifths (42%) of the internationally-engaged owner-operators reported they were members of Women in Global Business (WIGB). This was around double the proportion (22%) of employees in strategic roles in international firms.

42%
Of women exporters are WIGB members

Surprisingly, the highest proportion of members (51%) was among the yet-to-internationalise owner-operators. This indicates a very proactive stance on the part of these women, as they seek to learn more about the challenges they will face, and to build the networks and resources to successfully head overseas.

51%
Of WIGB members are aspirational exporters

24%
Rated mentoring as most useful

The two most useful aspects of WIGB's membership, as rated by the members are (i) making contact with mentors and/or role models (24% rated this as very or extremely useful), and (ii) developing the confidence to pursue international business (18% rated this as very or extremely useful).

Asked to offer suggestions for new offerings from WIGB, many respondents indicated that further strengthening these two areas would be most beneficial, along with specific shepherding through financing options, including grants schemes. Many of the focus group participants – all active members of WIGB – lamented that they had simply stumbled across the network. They felt more explicit signposting at all relevant touchpoints, such as when registering a business name or a trademark, or making an export inquiry, should be pursued.

Mentors were used by around a third of the women in each of our major categories, and there was a strong appetite among those without a mentor to explore such avenues. One focus group member described the enormous benefits she had reaped from a business coach.

"The biggest gift that I took out of those few months … was that I don't have to know it all and when I don't know it, I will always find people that do or I can pay for [advice]."

This is an area where WIGB is already active. With the data in this report and last year's, the support needs within such relationships can also be more effectively framed.

Next Steps

What this second report has exposed is how much more there is to investigate, research and understand about Australia's women, global trade and what it takes to succeed. There is still much work to be done to break down the barriers.

Building up the confidence of the 51% of aspirational women exporters identified in this report, to conduct international business, will significantly contribute to the Australian economy and create jobs.

Foremost amongst the barriers that WIGB must continue to address are

- access to markets
- access to capital and finance, and
- skills and capacity building.

WIGB will continue to develop the mentoring program, showcase successful women exporters as roles models in the annual Speaker Series, encourage more businesswomen to attend trade missions and put their names and companies forward for export awards.

In addition WIGB will build on the successful workshop series of 2013-14 and continue to work with the private sector to develop programs that enable women to better access finance and capital for international business growth. To address the clearer signposting issue on government websites raised in this report, WIGB will liaise with other government agencies to list its services more broadly.

On the international stage WIGB will continue to advocate for the economic empowerment of women through international trade by contributing to international fora such as the APEC Women and the Economy forum and the Indian Ocean Rim Association's women's economic empowerment agenda. As part of its international engagement strategy WIGB is launching its first international chapter in Indonesia on 31 March 2015.

In terms of the next survey and report in this series, the University of Melbourne and WIGB will be distributing the third survey in mid 2015.

Notes

1. The first report was *Australia's Underestimated Resource: Women Doing Business Globally* (2013).

2. All national population data taken from the 2011 Census, http://www.censusdata.abs.gov.au/

3. For discussions of cross cultural competencies and language acquisition, see Caligiuri & Tarique (2012).

4. For further development of these arguments, see Maitland & Sammartino (2014).

5. All national business data taken from Australian Bureau of Statistics (ABS), 8165.0 *Counts of Australian Businesses, Including Entries and Exits*, June 2013. While the ABS does not report the 100+ category specifically, 20+ only account for 2.6% of their population estimate.

6. For the first substantial international recognition of the rise of cross-border services, see the United Nations Conference on Trade and Development's (UNCTAD) *World Investment Report 2004*, http://unctad.org/. See also, *UNCTAD Findings on Services, Development and Trade*, released September 22, 2014.

7. *Australia's international business survey* (AIBS 2014), commissioned by Export Council of Australia, supported by Austrade and Efic and conducted by the University of Sydney.

8. Also taken from ABS, 8165.0 *Counts of Australian Businesses*. The ABS data's distribution is NSW (33%), Victoria (26%), Queensland (20%), Western Australia (10%), South Australia (7%), Tasmania (2%), ACT (1%) and Northern Territory (1%).

9. This was not possible for the organisations employing women in strategic roles, as we were not confident the employees would know the exact history of the founding of their organisation (as they most likely were not employed at that stage). The survey question was also not structured in a way that allows us to calculate exact years to internationalisation for owner-operator organisations commenced prior to 1990 (as we simply offered a pre-1990 option rather exact commencement year).

10. This is a higher ratio than the 31% reported for the 1553 Australian international businesses in the Australian International Business Survey (2014).

11. This is consistent with the *Australian International Business Survey* (2014)report which found China to be the second most important market for Australian exporters, and the only developing economy in the top five.

12. For a recent summary of multinationality-performance research see Powell (2013).

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Women in Global Business

The Women in Global Business program is a joint initiative of the Australian, State and Territory Governments, supported by Austrade.

- The objective is to increase female participation in international trade and investment delivering increased economic benefit and job creation through greater diversity.
- The program provides information and resources, support, advocacy, connection and communication services to support Australian business women to engage in international trade and investment.
- Statistics show that businesses owned and operated by women are one of the fastest growing business segments but despite success in domestic markets they are less likely to become exporters.
- WIGB works closely with stakeholders and private sector partnerships to deliver the program's services.
- WIGB addresses the barriers women face in doing international business by offering a mentoring program, skills and capacity building, workshops and events, research into the barriers and motivations of women as they engage with international markets, inbound and outbound missions, information and connection and advocacy on the domestic and international stage.

WIGB is the only nationally coordinated joint government program focussed on increasing Australian businesswomen's economic empowerment through the expansion of domestic businesses into global markets.

More information at
www.wigb.gov.au
or call +61 3 9648-3285.

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