

2021

Women in Business Report



About this report

In August 2021, we commissioned a national survey to highlight how businesses managed through the pandemic, and what their goals and concerns are for the next 12 months.

We reached out to over 1000 UK business leaders across the country. The survey results showed that companies with female leaders were financially stronger, less reliant on government support and less concerned about cash flow issues in the next 12 months than male respondents. This report will demonstrate the following national findings in more detail:



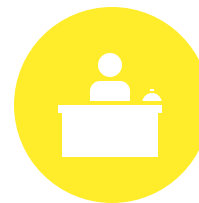
40%

more male-run businesses said their cash flow has been impacted during Covid compared to female owners.



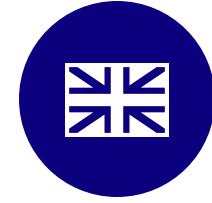
15%

of female owners required a government grant to survive, compared to 25% of male-run businesses.



23%

more male-run businesses said their cash flow has been impacted during Covid compared to female owners.



18%

more male-run businesses said their cash flow has been impacted during Covid compared to female owners.



Female business owners are less affected by cash flow issues during Covid

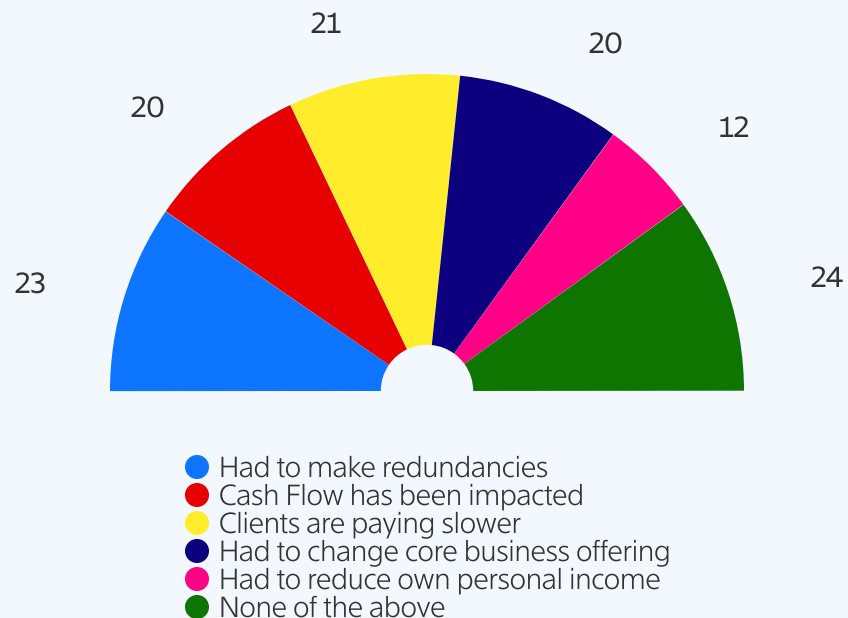
According to our national survey, almost a third (28%) of male-owned businesses experienced significant cash flow losses during the pandemic. On the other hand, only a fifth of female business owners stated this was a major issue.

There are a number of factors which might affect this result - with financial management likely a top influencer. Strategic reallocation of business funds was vital to keep companies afloat during Covid.

Yet over a third of male respondents (34%) stated that they handle their accounting in-house, rather than outsourcing to a professional. Female business owners, on the other hand, relied heavily on outsourced accountants throughout the pandemic. Three quarters of women-owned companies said that they hire a professional to manage their finances.

Having an experienced accountant who can adjust budgets to maintain cost-effectiveness could arguably have contributed to the reduction in cash flow issues for female-run businesses.

How has your business been impacted by the pandemic?



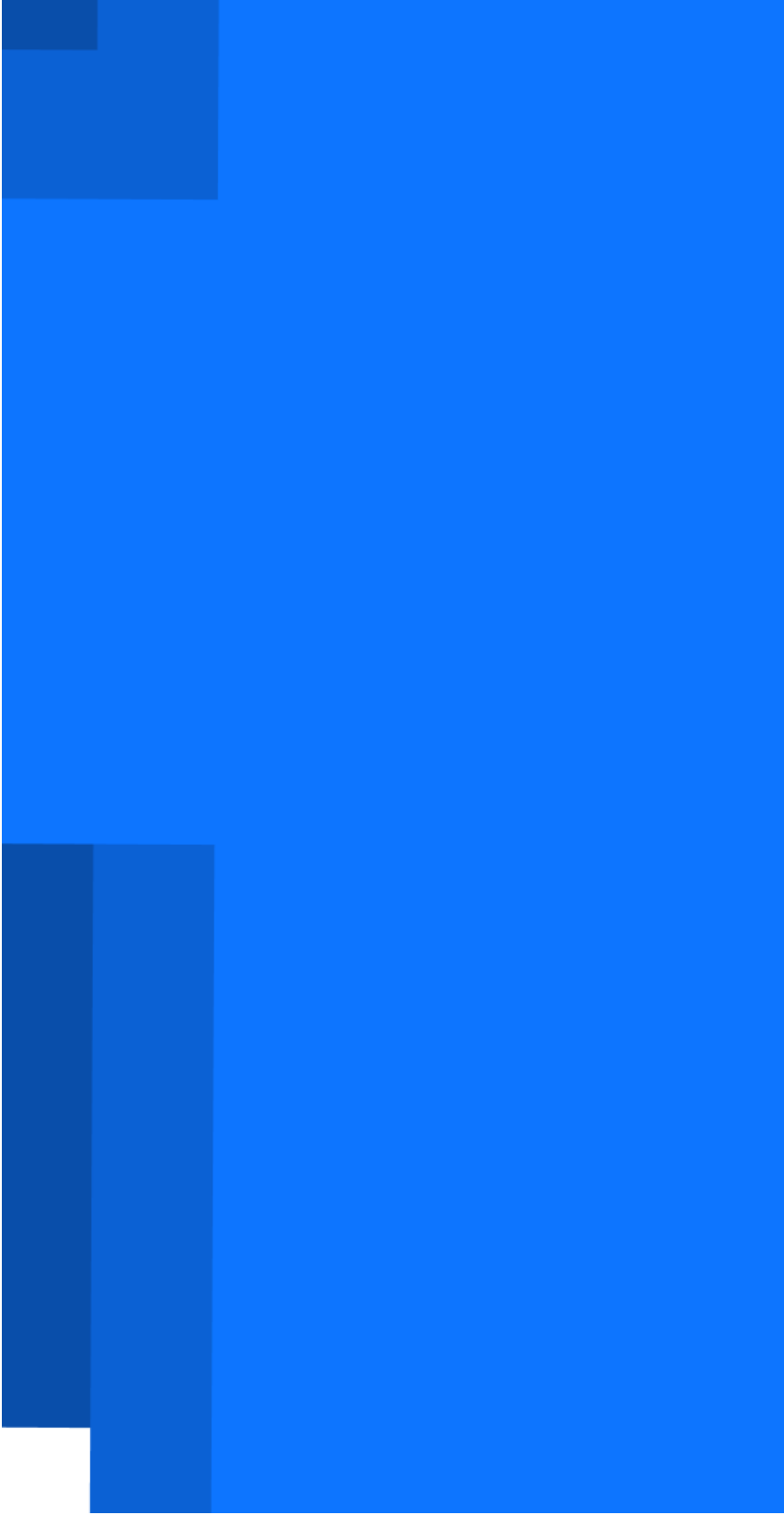
PR strategist Brenda Gabriel credits her accountant's pre-pandemic diligence with her company's survival.

"I was terrible with managing my finances, and kept overspending on coaching, programs and courses. In 2019, I hired my accountant. She helped me adopt better financial habits, learn to curb my business spending and manage my tax and VAT payments. Last year, there were four months where I earned no money - but was able to stay afloat because of business reserves that had built up."

Dr Sarah Gilchrist co-founded leading UK CBD skin care manufacturer Cannafu in 2019. According to Gilchrist, her accountant has been invaluable in navigating the pandemic. "Aside from the standard accounting tasks, they went the extra mile to keep us all informed of changes by setting up regular group Zoom calls that all of their clients could dial into."

Gilchrist says that her accountants used these calls to keep clients abreast of news and developments coming out of HMRC and the Scottish Government - "of which there were a lot!" She emphasizes. "The fact that they did this via calls allowed them to both share information and answer questions in a group environment. Different companies could also learn from one another during these calls, so it also provided a sense of community during what was, in many ways, a pretty isolated period."

Age could also play a role in this. Of the respondents who indicated that cash flow would be an issue, 49% were aged 34-55+ - meaning they likely had higher running costs and capacity than the 20% of respondents between the ages of 18 to 24.



"Last year, there were four months where I earned no money - but was able to stay afloat because of business reserves that had built up."

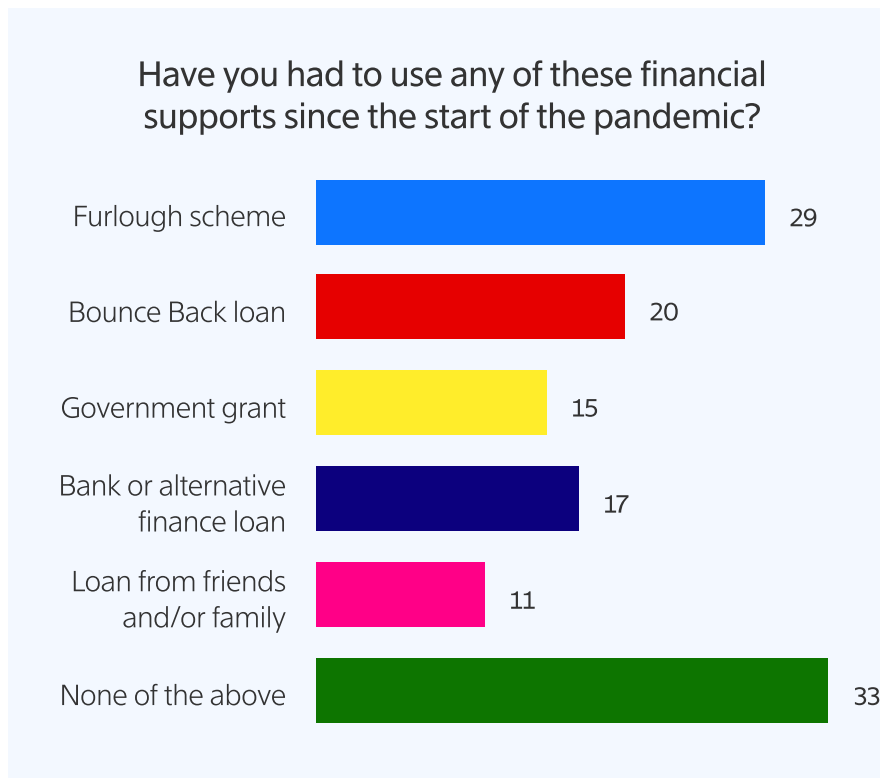
Brenda Gabriel,
PR strategist



1 in 4 male-run businesses required a government grant, compared to only 15% of female owners

According to our report, one in four male business owners also took out a Bounce Back loan during the pandemic, as opposed to one in five women. Use of the furlough scheme was more evenly spread, although men still lead uptake for this by 1%.

This may be due to female founders struggling less with cash flow during the pandemic. However, the survey showed they did, in fact, seek financial support. Bank loans and alternative finance loans were sought out equally at 17% for both genders. Interestingly enough, a significantly higher number of female founders accepted loans from friends or family than their male counterparts (11% vs 7%).



This potentially gives rise to a number of questions around women business leaders and funding. Did they refuse to seek government support due to lack of necessity, or out of hesitancy? There may have been issues with eligibility, or they might have been wary of accepting these loans due to the potential repercussions, such as its impact on their business and personal credit.

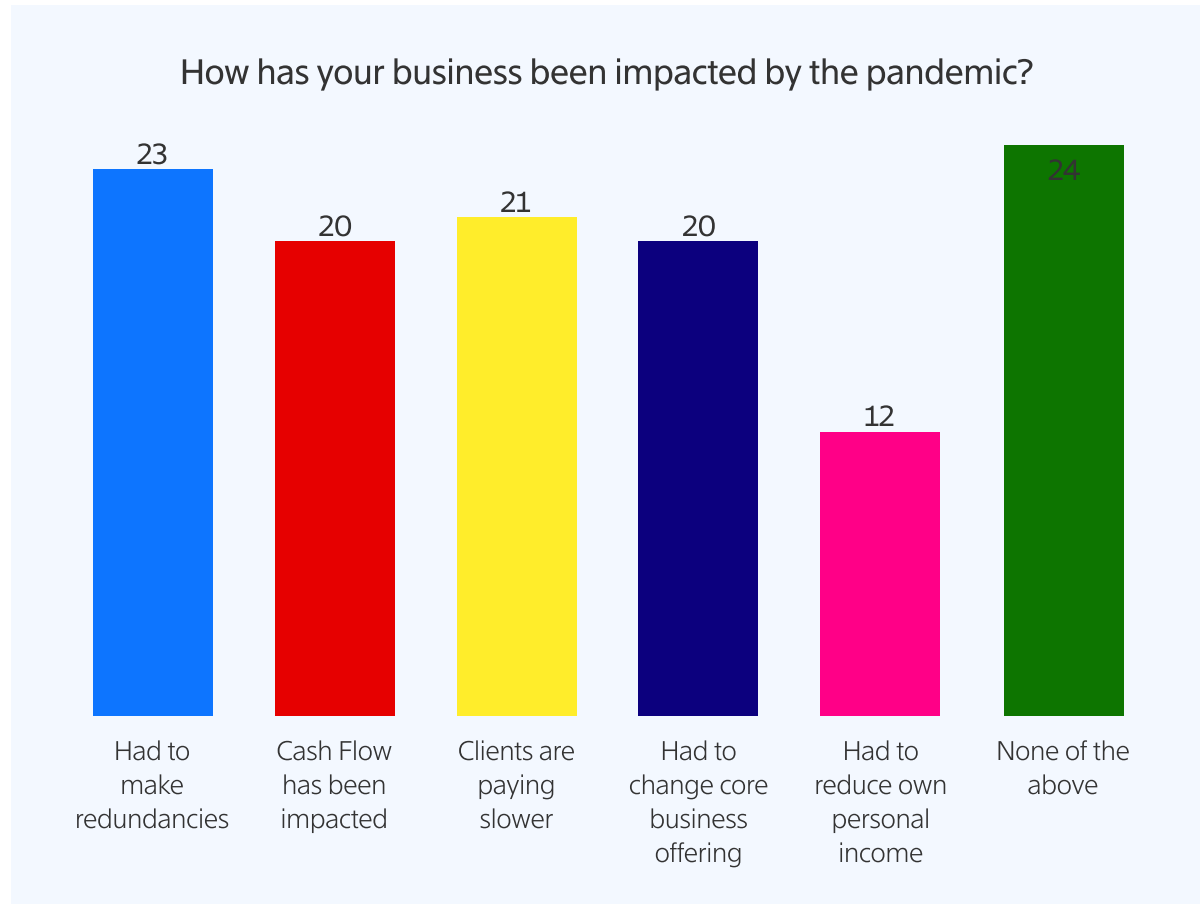
Alternatively, female business owners might have felt more comfortable taking on a bank loan as studies show that women are more likely to be approved for these than men. Friends and family may also have considered money loaned at minimal risk when taking into account that female entrepreneurs had made less redundancies, managed their cash flow and reduced their own personal expenditures during the pandemic.



26% of male-run businesses were forced to make redundancies, as opposed to 23% of female owners

The 3% difference is surprising, considering the fact that there was equal uptake of the furlough scheme by both genders, according to the survey. Various factors could have influenced this outcome - one of which is likely the finding from our same report which states that 12% of women founders reduced their personal income during Covid. Only 9% of male founders report the same.

Of course, this may not have been necessary - or possible - in all cases. The leading age demographic for this category is 18-24 - meaning that many of these business owners might have carried minimal personal expenses due to living at home or with flatmates. Location is another factor which may have influenced this reply. 21% of respondents who reduced their personal income were living in Northern Ireland (which has experienced more stringent and lingering restrictions), and 12% in London, where the cost of living is high enough to consider cutting back where needed.

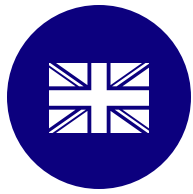


“We didn't make any redundancies. In fact, we hired many people who had been made redundant. We were able to hire talent we may not have had a look-in with before - going from a team of 2 to a team of 15!”

Jessie Healy, Webtopia

“We were pleased not to have made redundancies. A staff member left and I decided not to replace her immediately. But there was no financial impact on my other staff members.”

Jessica Morgan, Carnsight



Just 18% of female owners stated that navigating Brexit will be an issue

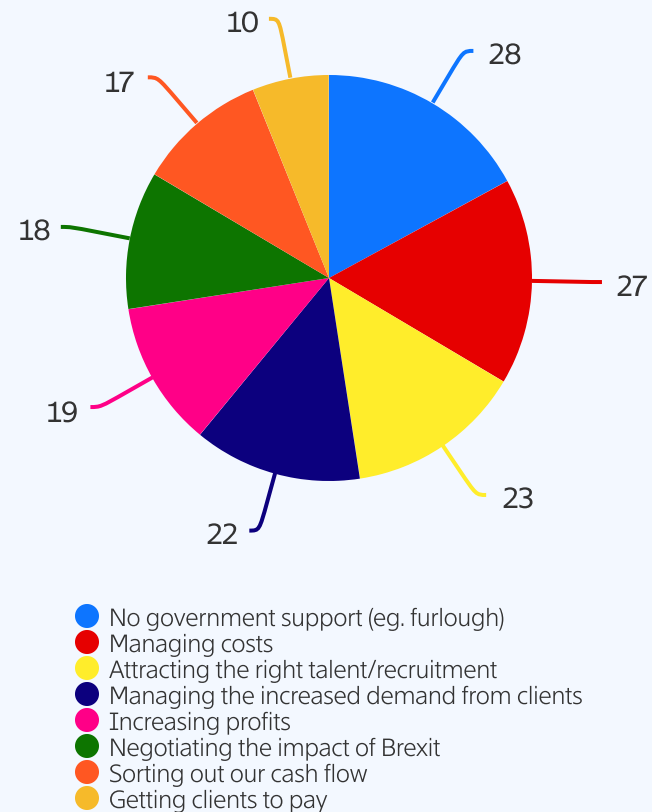
The complexities of international trading brought on by Brexit have only been exacerbated by the pandemic and tighter restrictions. New VAT regulations, tariffs and trade statuses are all new worlds to conquer for the UK entrepreneur. Yet it is another area where female business owners are taking a lead, according to our report.

When it comes to navigating complex issues such as trade status and VAT law, hiring a financial expert would give anybody a leg-up. Our survey found that the male to female ratio of internally-managed accounting is 34% - 25%. It seems clear that more women sought expert help. As a result, they are less likely to find issues like new VAT regulations or trade status a challenge.

There is, of course, a litany of extra admin as a result of Brexit - exclusive of finance. The increase in paperwork will doubtless be a challenge for those operating on reduced staffing. As more male founders made redundancies than women, this could present another reason they may anticipate more problems.

"We're a fully remote agency. I'm able to hire team members in Malta, Italy, Portugal and Spain and pay them via international transfer" Jessie Healy of [Webtopia](#) shares, "so I have a workforce of EU nationals who are living in their home country."

What business challenges are you facing over the next year?



“We have been looking at international growth for some time. Our foreign clients want us to help publicise them outside of their domestic markets. That was an attractive service pre-Brexit, and now there’s even more demand - because the UK remains an important export market for all these foreign companies.”

Sarah Nurgat
Director of ThoughtSpark

About Addition

Founded by Graham Davies in 2019, Addition is a full-suite financial services firm in London. We offer flexible finance solutions and high quality insights for SMEs - from bookkeeping to growth funding. Our tailored plans start from the bookkeeping basics, to CFO services and beyond.



Graham Davies

Founder & CEO



John Miller

Chief Operating Officer



Liesa Stecher

Head of Marketing & Growth



Rebekah Chadburn

Head of Bookkeeping &
Accounts

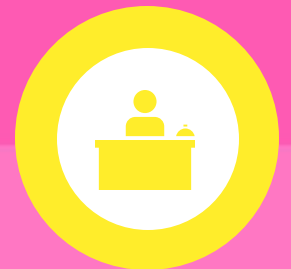
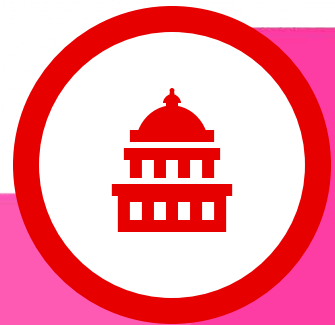
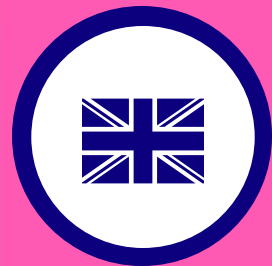


Heather Wilkinson

Content Manager

Additional Information

This research was carried out online by Research Without Barriers (RWB) and commissioned by Addition. All surveys were conducted between 8th July 2021 and 16th June 2021. The sample comprised 1,001 UK business decision makers. All research conducted adheres to the UK Market Research Society (MRS) code of conduct (2019). RWB is registered with the Information Commissioner's Office and complies with the DPA (2018).



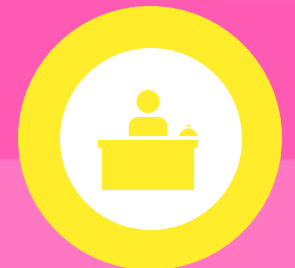
Additional Information

Question #1 and #3

How has your business been impacted by the pandemic?

NOTE: This question was multiple-choice

	Women	Men
Forced to make redundancies	23%	26%
Cash flow impacted	20%	28%
Clients paying slower	21%	26%
Changed core business offering	20%	23%
Reduced personal income	12%	9%
None of the above	24%	21%



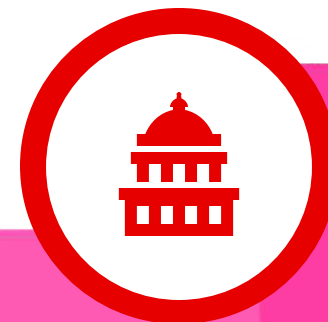
Additional Information

Question #2

Have you had to use any of these financial supports since the start of the pandemic?

NOTE: This question was multiple-choice

	Women	Men
Furlough scheme	29%	30%
Bounce back loan	20%	23%
Government grant	15%	25%
Bank/alternative finance loan	17%	17%
Friends and/or family loan	11%	7%
None of the above	33%	33%



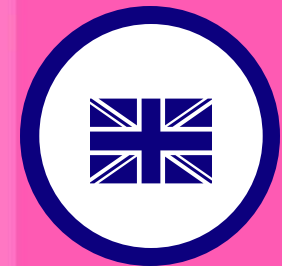
Additional Information

Question #4

Which of the following would you say are the main challenges to your business over the next 12 months?

NOTE: This question was multiple-choice

	Women	Men
Surviving without government support schemes	28%	29%
Managing costs	27%	24%
Finding the right talent	23%	24%
Increased client demand	22%	24%
Increasing profits	19%	21%
Sorting out cash flow	17%	20%
Negotiating impact of Brexit	18%	20%
Getting clients to pay	10%	10%
Other	3%	1%



Additional Information

Question #5

Do you manage your accounting internally?

	Women	Men
Yes	25%	34%