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HER OWN BUSINESS

SUCCESS SECRETS
OF
ENTREPRENEURIAL
WOMEN

JOANNE WILKENS

Her Own Business

*Success Secrets of
Entrepreneurial Women*

by Joanne Wilkens

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Introduction

The new woman entrepreneur: Who is she? What is her life like? Why did she choose independent enterprise, and what makes her successful? These are just a few of the questions I sought to answer six years ago when I first considered writing this book. At that time, I wanted to know more about women and entrepreneurship, so I set out for local libraries and bookstores in search of information. To my surprise, I found practically nothing. Even the nearby University of California yielded disappointing results. There were shelves of books and lists of scholarly papers on the development and personality of the entrepreneur, entrepreneurial psychology, the stages of business growth, and the problems and rewards of small business ownership. But this body of literature was written almost exclusively about men, from a male point of view. Where, I wondered, was comparable information about women?

At local bookstores, I fared little better, finding only *The Entrepreneurial Woman* by Sandra Winston. Although interesting, Winston's book left many of my questions unanswered, and no other source had the exact information that I needed. The only way to answer my questions was to write about the woman entrepreneur myself.

WOMAN AND ENTREPRENEURSHIP: A NEW PHENOMENON

As my research progressed, I discovered that women entrepreneurs are a fast-growing phenomenon throughout the United States. There are female-owned

businesses in every area of the country, and Ohio, Illinois, California, Hawaii, and the industrial states of the Northeast boast the greatest numbers.¹

To my surprise, I learned that between 1975 and 1985, the number of self-employed women in the United States increased by 76 percent.² By 1982, women constituted 31.8 percent of all self-employed people in this country, and that trend continues today.³ Women are leaving secure jobs for the risk of independent enterprise five times faster than are their male counterparts.⁴ These facts made me even more eager to seek out the woman entrepreneur to find out about her life.

BREAKING BARRIERS: THE ROAD TO ENTREPRENEURSHIP

This book provides what I was unable to obtain in any library or bookstore five years ago: the exciting life story of the woman business owner. You will learn about the problems she has faced and the barriers she has overcome to create the national phenomenon she presently leads. You will follow this woman through her academic and workplace careers until the moment she chooses business ownership. You will discover what she thinks about family and business, money and credit, networks and mentors, risk and success, and the failure of today's business community to use her strengths and meet her needs. And you will discover the barriers that every woman must break before she can succeed on her own.

On a practical level you will find advice and inspiration to help you succeed should you be, or hope to become, an entrepreneur. Each woman interviewed had to face certain realities as she decided to strike out on her own. Finding the money, taking the risk, leaving a secure job, hiring her first employee, and getting her first clients or customers were all problems that she had to handle. You will see what enabled her to succeed as she encountered these tasks one by one.

Once her business is established, the entrepreneurial woman then must guide its growth and development. In doing so she must consider other important points, such as when and how much to expand, what leadership style to pursue, how much structure to impose on her youthful enterprise, what personnel practices to follow, and why she may or may not be making the money that she wants. Following the stories of the women interviewed will show you the strategies they developed to handle these problems successfully.

In addition, although men and women alike must face these business dilemmas, the female entrepreneur faces other obstacles unique to her sex. These obstacles include economic, legal, and sexual harassment; harmful stereotypes that suggest that women "do not have a head for business" cannot understand economics and finance, and are too "soft" to succeed in the rough world of double-dealing; the opposing pulls of family life and business success;

the view of women as dabblers who are not serious about their work and therefore lack credibility; and the conflict between our cultural definition of femininity and the characteristics necessary to make money. These additional problems mean that women face complications in every step of the entrepreneurial process.

WHO ARE THE NEW ENTREPRENEURS?

Her Own Business is based on information collected from 117 women business owners around the United States. (For a detailed description of the sample and methodology, see Appendix A.) All the women were volunteers who wanted to participate in the study. Some responded to a letter that I sent to their local business and professional networks; others replied to a personal inquiry that described the project and sought their participation. After indicating her interest, each woman filled out and returned a 4-page questionnaire. Seventy women, representing different types of businesses and varied geographical locations, were contacted for in-depth personal interviews.

All these interviewees were proud and eager to share the results of their hard work and effort. I visited elegant showrooms, bustling warehouses; retail stores which reflected the personality of their particular owner; small, cramped offices which ran large, profitable construction or wholesale businesses; large suites of offices with sweeping views of Lake Michigan or Manhattan; three impressive and carefully designed educational centers; manufacturing locations where a woman's creative concept was translated into reality; and a myriad of offices—offices in suburban professional complexes, in small back-room locations, in restored historical buildings, and along quiet country roads. No matter where it was located, each business was the center of the daily entrepreneurial activity orchestrated and managed by its talented, independent owner.

After completing my analysis of the interviews and initial questionnaires, I sent each interviewee a follow-up questionnaire to determine how her life had changed since our first meeting. This final mailing took place three years after the initial interviews. I was gratified to learn that only three women, or a little more than 4 percent, had closed the doors to their businesses. The other sixty-seven enterprises were still in operation, and despite the recession of the early 1980s, most had grown larger and had become more successful.

From the very beginning, I decided not to reveal the identities of the women interviewed, and each participant was assured that all information was confidential. Although cases presented in the book are based on real information, they are not "real" women. Individual remarks and comments are quoted much as the women said them, but all names and details have been changed to protect the identity of the interviewees. Similarities in names or other characteristics between any subjects and their businesses in this book and other persons and businesses is purely coincidental.

PROFILES IN ENTREPRENEURSHIP

These pages will show you a profile of the woman entrepreneur in the United States today. I offer this portrait to assist you should you decide to undertake a journey similar to hers, but keep in mind that the experiences presented here are those of leaders in a new phenomenon. These experiences are not necessarily requisite for success in business ownership, rather they indicate what steps were followed by a group of pioneers.

Her Own Business is divided into five parts. Each part should help you understand a different aspect of the entrepreneurial woman, her business, and her life. Part 1 addresses three related topics: (1) how women choose, start up, and develop a particular business enterprise; (2) how the entrepreneurial personality affects a woman's ability to succeed; and (3) what particular strengths women bring to the entrepreneurial world. Sharing the experiences of the interviewees will give you new insight into what it takes to succeed on your own.

Part 2 takes you back to the childhood and adolescence of the new entrepreneurs. As you read their family histories, you will discover what conditions foster autonomy in women and what forces undermine the development of confidence and independence. The stories of these inspiring women will encourage you to identify and overcome the negative experiences in your own life that have kept you from reaching your goals. This part concludes with an analysis of the typical career patterns of the interviewees. This analysis will assist you in examining your work experience to assess whether you are ready to strike out on your own.

Part 3 formalizes the information presented earlier into a series of practical exercises and worksheets that will guide you through a process of self-analysis. You will assess your strengths and weaknesses, analyze your business ideas and plans, focus your ideas, and master the steps to starting and developing an independent enterprise. You will also examine your personal motivation and goals and will identify any ambivalence you have regarding financial success.

Part 4 moves into the everyday world of business ownership. You will learn about the joys and rewards, the problems and frustrations of running an independent enterprise—from a woman's point of view. Topics covered here include learning to make a profit, dealing with banks and bankers solving the most common business problems, and handling sexual harassment. In addition to inspiring stories to encourage you, these chapters also include worksheets to help you solve your day-to-day business problems.

Part 5 addresses the personal life of the woman entrepreneur. Balancing a business, a marriage, and perhaps children is not easy, and many entrepreneurs experienced painful problems in the attempt. Yet their stories offer hope that meaningful solutions to these problems can be found.

As a woman and potential business owner, you may share much in common with the new entrepreneurs. Certainly the barriers that you face are similar. I

hope that as you begin your journey to independent enterprise you will find the experiences shared on these pages useful. The new entrepreneurs offer hope that all women can break both cultural and personal barriers to achieve the psychological and financial independence necessary to stand on their own.

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PART 1

Becoming an Entrepreneur

CHAPTER 1

The Moment of Decision

Do you want to start a business? Or do you already have one? In either case, you are among a fast-growing group of women who are changing the face of U.S. enterprise. Perhaps you are an independent professional—a photographer, lawyer, accountant, or masseuse eager to succeed in your own practice. Maybe you have long worked for someone else as a bookkeeper, sales rep, marketing specialist, or office manager and are now ready to make your years of experience work for you. Or possibly you are nurturing an idea for a new and unique product or service that you are certain will make you money.

Now you ask yourself, “What does managing a business involve? How do other women find the strength to start up or keep going when obstacles stand in the way?” This chapter introduces some women who, with energy and determination, turned their ideas into money-making ventures.

LIZ G. MATERNITY FASHIONS— A MANUFACTURING CONCERN

Training for Entrepreneurship

When she was twenty-five and pregnant with her first child, Liz Gausted got out her sewing machine and started on a familiar path—designing and making some stylish clothes appropriate for her new stage in life. For Gausted, this was nothing special. “I was raised in downstate Illinois where my father was a farmer,” she began, “and sewing was always part of my life. When I got bored, I made clothes for my Barbie doll. Then one day my best friend and I pooled

our allowances, bought a lot of fabric, and made these cute cut-off jeans and other stuff for Barbie and sold them to our friends."

Gausted credits her father with starting her down the road to business ownership: "When I was in high school, Dad capitalized on my knack for sewing. He told me, 'If you buy your clothes ready-made, I'll put you on a budget. But if you make them, you can spend as much as you want on materials.' I gladly took his offer, and soon I was deep into textiles, design, and pattern making. I always thought I was going to be a teacher and in fact did teach for several years, but my Dad really trained me for entrepreneurship even though I didn't know it at the time."

Like her two brothers, Gausted attended the University of Illinois in Urbana, where she majored in both education and design. "I spent most of my time designing and making clothes," she continued, "and my wardrobe really expanded. I lived in a sorority, and my sorority sisters used to come up to me and say, 'This is great. Can I borrow it?' After getting things back with cigarette holes or wine stains, I stopped lending and started selling. Some things I hardly ever wore and gladly sold them. I had a nice turnover in inventory right in my own closet but still never thought of having my own business."

Finding the Right Opportunity

After college, Gausted married and moved to Chicago, where she got a job teaching home economics in a large urban high school. "I enjoyed my work," she recalled, "and even started an after-school sewing club to encourage kids who had a special interest in design. When I got pregnant, the students used to analyze and criticize my maternity designs. Then I started getting compliments about my clothes from women I didn't even know."

"When two of my friends got pregnant, they asked if I would make clothes for them. One is an attorney and the other a personnel manager, and they couldn't find things in the stores with the same professional look that my clothes had. When I started looking carefully at what was available in the maternity shops, I realized that no one was catering to the pregnant professional woman and her needs. After my daughter was born, I decided that I would give it a try."

Liz Gausted saw a unique opportunity to turn her talents into a money-making venture. Making clothes for "Barbie" and for her sorority sisters had brought in spending money, but making maternity outfits for the professional woman could bring in a handsome income. The market was there, and she gambled on her ability to capture it. Like many women, Gausted was pulled into business ownership by a ready-made clientele.

Putting an Idea into Action

"There was only one problem," here Liz Gausted smiled, "I knew a lot about textiles and design but nothing about business! That was good in one way because I didn't have any old habits to break, but I had a lot to learn. When things went

wrong. I would say, 'OK, that didn't work, so I won't try it again.' In spite of my mistakes, I feel very good about one thing: There are many great ideas in this world, but so few of them get executed. Too many people are afraid I took my idea and made it into a reality, and that makes me special."

When Gausted started her business, she did everything herself. By the end of her first year, she was exhausted. Although she farmed out most of the sewing to several helpers, that provided only temporary relief. "I knew I couldn't continue in the same way," Gausted remembered, "so I decided to sit back and look at the big picture. Before hiring anybody else, I first had to decide what my goals were. Did I want to design and sew clothes, or did I want to run a business? These were tough questions to answer, and it took me a while to decide."

After Innovation, Organization

Liz Gausted had little trouble with one entrepreneurial function: innovation. Creating unusual designs and coming up with new ideas to make the business grow were easy for her. However, she had more problems with organizing her creative enterprise into an ongoing concern. To help herself do this, Gausted followed an unusual process. First, she made a list of everything that she did in the business. This included not only design work but also a myriad of other tasks that she hardly was aware of doing. After finishing her list, Gausted grouped similar activities together and found her business could easily be organized around specific activities: design, production, marketing and sales, personnel, finance, and overall coordination.

Gausted was then able to decide which jobs she wanted to do herself, which she wanted to delegate to others, and where new staff people could best be used. Consequently, instead of hiring someone simply to take over a job she was too busy to do, she put new people into an area where their skills were needed. The entire exercise helped Gausted understand her business better. She learned that Liz G. Maternity Fashions had a natural structure and that she could fit into that structure in any way that suited her own needs: "At that point," Gausted said, "I decided that I could make a lot of money with this as a business, and that helped me determine my role. I knew I wanted to keep creative control over the design concepts, but I could delegate the rest of the work to other people. I also wanted to stay involved with marketing. As far as the day-to-day operations are concerned, I now have a production manager to help me. I also have a financial person who takes care of the books and payroll. My focus is on guiding the business and making it grow as large as it can."

Advice from an Expert

Last year Liz G. Maternity Fashions generated just over \$5 million in sales, and Liz Gausted is justifiably proud of her success. When asked what it takes to succeed, she immediately replied, "Persistence, determination. If you really