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Advancing Digital Adoption Amongst Women SBOs in Canada

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#DigitalSBOs

A study to uncover how women small business owners (SBOs) in Canada leverage technology to start, operate and scale their businesses, and opportunities to increase digital adoption amongst women-owned companies.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

In February 2017 [Startup Canada](#), the national rallying community and voice for Canada's entrepreneurs, released a national report revealing that while the majority of small business owners (SBOs) in Canada consider themselves to be high adopters of technology, a troubling gender divide persists. According this report, women SBOs are 20 per cent less likely than male SBOs to integrate new digital technologies into their companies as they start, operate, and scale. As digital technology use is strongly linked to small business productivity and efficiency, this gender gap leaves women SBOs at a significant competitive disadvantage ([Conference Board of Canada](#)).

While digital adoption rates amongst women SBOs may be lower than amongst men, 93 per cent of women consider technology to be key to their success. Women, however, are more likely to experience barriers to adoption than the overall SBO population. When compared to this group, 19 per cent more women SBOs consider time to be a major barrier; 20 per cent more women SBOs report low comfort level as a major barrier; and, women are also 11 per cent more likely to report a lack of awareness of digital technologies.

These barriers to digital technology adoption can be attributed in part to the misalignment between the amount of time women have to explore new technologies and the investment of time required to do so. Among other factors, these barriers can also be connected to a lack of female representation in technology tools and programs, which are often designed and marketed with a male end-user in mind.

To increase digital adoption amongst women SBOs, and to increase the competitiveness of women-owned businesses in Canada, these barriers must be addressed. Feedback from survey and focus group participants highlighted that women SBOs are largely self-taught when it comes to digital adoption, and are more likely than the overall SBO population to attend workshops, access community initiatives, and leverage interactive how-to guides. Sixty-six per cent also find value in women-centric digital skills building opportunities. Considering the aforementioned factors, participants highlighted the need to explore the implementation of deliberate policies to encourage gender diversity on boards and in management positions, particularly in the tech industry; support digital skills building programs designed by and for women; create digital skills

building incentives for women SBOs; include successful women leaders in marketing campaigns; and, consider the characteristics and traits of women when designing user experiences for technology tools.

INTRODUCTION

The use of digital technology is strongly correlated to the efficiency, productivity, and competitiveness of small and medium-sized businesses ([Conference Board of Canada](#)). With global rankings like the World Economic Forum placing Canada relatively low on its scale for overall technological readiness (21st) and technology absorption (31st), Canada has considerable work to do to ensure small businesses, which account for 98 per cent of all firms in Canada and 87 per cent of all new jobs, adopt and benefit from the use of new digital technologies at a competitive pace ([World Economic Forum](#)) ([Statistics Canada](#)).

As this report will discuss, a tailored approach is required to increase digital adoption particularly among women, who are 20 per cent less likely than men to integrate new technologies within their companies. By taking deliberate and collaborative steps to address this gender divide, Canada's private sector anchor companies, government institutions, and entrepreneur ecosystem can support women-owned businesses to reach their full economic potential, and increase their overall competitiveness.

To better understand the digital gender divide amongst small business owners (SBOs) and to take steps toward closing this gap, [Startup Canada](#), the national rallying community and voice for Canadian entrepreneurs engaged nearly 400 women SBOs across various stages of business, demographics, and geographies in a national study. The second in a four-part research series to advance the conversation on digital adoption amongst SBOs, this report uncovers how women use and adopt technology to operate their businesses, as well as principal barriers and challenges to technology adoption amongst women. Furthermore, this report highlights recommendations to increase digital adoption rates amongst women SBOs in Canada.

METHODOLOGY

This study was conducted between April 25 and May 3, 2017 through a series of virtual focus groups with more than 25 participants from across Ontario, Atlantic Canada, British Columbia, the Territories, and the Prairies Region. These focus groups were conducted in partnership with Startup Peel Region, Startup Charlottetown, Startup Prince George and Startup Calgary. These focus groups complement a national survey that engaged 345 respondents from across Canada. The confidence level for this sample size is 95 per cent, with a margin of error of 1.96. Furthermore, this study compares characteristics and traits of women SBOs with that of the overall SBO population in Canada. The statistics for this comparison can be found in the first report of this four-part series, *Advancing Digital Adoption Amongst SBOs in Canada*.

RESPONDENT PROFILE

Fifty per cent of survey respondents are between the ages of 36 and 54. Thirty six per cent are between the ages of 18 and 35; 13 per cent are between the ages of 54-65; and one per cent are over the age of 65. Ninety-eight per cent of respondents self-identify as female. Twenty seven per cent of respondents have been in business for between one and two years. Twenty six per cent of respondents have been in business for less than one year; 24 per cent have been in business for three to five years; 12 per cent have been in business for six to 10 years, and 10 per cent have been in business for more than 10 years.

DIGITAL ADOPTION AMONGST WOMEN SBOS

While digital adoption rates amongst women SBOs may be lower than among males, women consider technology to be key to their success - even slightly more so than the overall SBO population. Ninety-three per cent of women small business owners consider technology to be extremely important or very important to the success of their company, compared to 87 per cent of the overall SBO community.

CAREFUL, THOUGHT-OUT PROCESSES GUIDE DIGITAL ADOPTION

While women SBOs recognize the value of technology, just 29 per cent consider themselves to be first or early adopters of new technologies. This is a staggering 40 per cent less than the

overall SBO population, 69 per cent of whom consider themselves to be early tech adopters. This can be attributed to the calculated nature of decision making exercised by many women SBOs, and the length of time it may take to make such decisions.

"Technology use is an important decision, and women are careful about the choices we make," **said Diane Clark, a Toronto, Ontario-based Systems Architect at Trendspire Canada,** a company that provides technology adoption consultation services. "We take the time to learn and understand each tool option."

As Clark explained, when it comes to integrating new technology into their companies, women SBOs take the time to find, research, and test the right solution before making a purchase. Thirty-seven per cent of women SBOs take up to one month to identify, adopt and operationalize a digital solution. Approximately one quarter of women SBOs take up to three months, and 21 per cent take up to six months or longer. In the minority, 19 per cent of women SBOs report the ability to identify, adopt, and operationalize a digital tool in one week or less.

"Last year we switched to a new accounting software, and that was a long process," **said Lydia Di Francesco, Founder of Fit & Healthy 365**, an Ottawa, Ontario-based health and fitness lifestyle community. "It took me months to decide what to use. It shouldn't be that difficult, but there's so many options."

WOMEN SBOS LARGELY SELF-TAUGHT WHEN IT COMES TO DIGITAL ADOPTION

When it comes to the use of digital tools and skills to start, scale, and grow their business, 94 per cent of women SBOs report they are self-taught. Forty-six per cent received education through formal courses, certificates, and other similar methods. Forty-one per cent received training through past or current employment, and 20 per cent learned to use digital tools through the engagement of mentors.

"I try out something new every day," **said Katrina German, Founder of KatrinaGerman.com,** a communications consulting company based in Saskatoon, Saskatchewan**.** "If I have a pain point, I will Google software and start evaluating from there."

"It's a lot of trial and error," **agreed Lydia Di Francesco, Founder of Fit & Healthy 365**.

The high propensity of women to be self-taught can be attributed in part to the need for on-demand content and flexible learning hours to accommodate and compliment various life stages experienced by women.

WOMEN SBOS MORE INTERESTED IN ATTENDING WORKSHOPS, ACCESSING COMMUNITY INITIATIVES, AND USING INTERACTIVE HOW-TO GUIDES

When compared to the overall SBO population in Canada, women SBOs are more interested in attending workshops, accessing community initiatives, and using interactive how-to guides to aid their digital adoption process. Sixty-four per cent of women SBOs reported workshops would be helpful, compared to 55 per cent of the overall SBO population; 62 per cent indicated community initiatives would be useful, compared to 50 per cent of the overall population; and, 69 per cent would find interactive how-to guides useful, compared to 61 per cent of the overall SBO population. Fifty-eight per cent of women SBOs also report that videos would be useful to make digital adoption easier for their business.

"The one-on-one experience is key for me," **said Frances Schagen, the Toronto, Ontario-based Founder of BusinessOwnersSuccessClub.com**, an online community for small business owners. "Being able to talk to someone who uses the program and knows what to expect from it will increase my likelihood to adopt a technology."

"Women tend to find technology tools through people they talk to and through their network," **said Kimberley Vircoe, Owner of Fruition Studio**, a Calgary, Alberta-based visual communications company. "They see the community as a safe place to ask questions. No question is dumb and no beginner is too beginner to be there."

While women are more interested in attending events and accessing community initiatives than the overall SBO population, such programs are most valuable when they cater to the needs of women including flexible hours, short event times, on demand content, and childcare. These

needs are largely dependent on a woman's stage of life, but can significantly impact her ability to participate in such initiatives.

MARKETING AND SALES AMONG TOP TECH USES

Women SBOs use technology for a variety of business purposes, the most popular being sales and marketing functions. Notably, women SBOs are 10 per cent more likely than the general population (75 per cent) to use digital tools for this purpose. Operational functions (68 per cent) are the second most popular use for digital tools amongst women SBOs, followed by productivity tools (64 per cent), internal communications tools (63 per cent), and development tools (55 per cent).

"We need digital tools for everything from inventory control to customer management," **said Sara Phelan, Founder and Advisor at Innov8 Consulting**, a Bedford, Nova Scotia-based consulting and coaching business for entrepreneurs, non-profits, and SMEs.

BARRIERS AND CHALLENGES TO DIGITAL ADOPTION AMONGST WOMEN SBOS

In Canada, women have faced barriers to entry and success in the workplace for decades. It is not surprising that many of these systemic barriers, including the male-dominated nature of the tech industry, permeate the experiences women face as they research, interact with, and integrate technologies within their companies. Overall, women are 10-20 per cent more likely than the overall SBO population to experience challenges such as the amount of time it takes to find and maintain tools; a low comfort level with technology; privacy concerns; and, a lack of awareness of digital applications.

TIME IS TOP OF MIND

The time and costs associated with finding and maintaining digital technologies are the top two barriers to technology adoption amongst all SBOs in Canada, not just women. However, women SBOs are 19 per cent more likely to consider time as a major barrier when compared to the overall SBO population. Notably, the degree to which women face this challenge can be affected

by her stage of life, and familial and societal responsibilities she may face. Therefore, women are more likely to adopt a digital tool if the return on investment of time and money is rapidly evident.

"If a tool can guarantee that I will have more time to run my business, I will be all over it," **said Kari Gordon, Executive Director at Startup Calgary**. "But I don't have the time to sit down and experiment with it."

Similarly, the amount of time required for women to participate in digital skills building opportunities can also present challenges as they often require significant commitments.

"Many women don't want to participate in a full weekend of events," **said Frances Schagen Founder of BusinessOwnersSuccessClub.com**. "They want to be able to take their kids to soccer. We aren't all 20 years old, and we can't all spend 30 hours straight working on something."

The strains on both time and money that accompany digital adoption are notably challenging for women SBOs who are deliberate with their time, and may be operating on a tight startup budget. For more information on the general implications of cost on the rate of digital adoption amongst both men and women SBOs, see Startup Canada's February 2017 report: *Advancing Digital Adoption Amongst Small Business Owners*.

ONLINE PRIVACY IS A SIGNIFICANT CONCERN

Online privacy is among the top three challenges faced by women SBOs when using technology to grow their business. Significantly, women SBOs are 16 per cent more likely than the overall SBO population to report online privacy as a key concern when adopting new technologies. This cohort is also seven per cent more likely to report reliability of tools as a challenge.

"Security is a big issue for us," **said Nansy Jean-Baptiste, the Ottawa Ontario-based Director of Consulting at 0X9 Design**, a consulting and research and development firm. "Clients expect us to have secure networks. With regard to many commercial tools, we either don't have enough information about them or we don't trust them."

Interestingly, just eight per cent of SBOs reported experiencing an online security breach, identity theft, or a similar crime (Startup Canada). Regardless, the fear persists, and is highest among women SBOs.

MALE DOMINATED TECH CULTURE, MARKETING, AND USER EXPERIENCES CONTRIBUTE TO LOW COMFORT LEVEL & AWARENESS AMONGST WOMEN

Women SBOs are 20 per cent more likely than the overall SBO population to report a low comfort level with new technology tools as a barrier to adoption. Women are also 11 per cent more likely than this group to report a lack of awareness about digital technologies, and a concerning 46 per cent indicated they do not know where to go to learn about digital solutions for their business. There are a multitude of factors that can be attributed to this including lack of time, the speed of innovation and product development, and the sheer high number of resources available. However, this finding can also be closely related to the fact that there are fewer women than men in technology fields generally (Statistics Canada).

"Meetings in the tech sector are very much male dominated," **said Nansy Jean-Baptiste, Director of Consulting at 0X9 Design**. "Most vendors and developers are men. I get different quotes and different interactions when at tech meetings than my male business partner does. I will feel completely ignored, whereas my male business partner will come back with handfuls of business cards and lists of services. There's an underlying assumption that I won't understand."

"That is true in my experience as well," **said Dianne Clark, Systems Architect at Trendspire Canada.** "I've led technical teams and have myself programmed technical portals. However, when I visit clients, I am not the one who people want to speak to. They want to speak to my team even though my associates say I am in charge."

Women SBOs also reported feeling uncomfortable with software designed and marketed with a male end-user in mind. "The user experience needs to be more personal," **said Nansy Jean-Baptiste, Director of Consulting at 0X9 Design**. "If the user experience is positive, women have no problem adopting new technology."

"The advertising of certain software appears very corporate-focused, and that can be intimidating

to women who tend to gravitate toward things that are really intuitive," **agreed Kimberly Vircoe, Owner of Fruition Studio.** "If I see an ad for software, even though it may fit the need I have, I might not pick it up if it doesn't feel friendly."

RECOMMENDATIONS TO INCREASE DIGITAL ADOPTION AMONGST WOMEN SBOS

Considering the approaches women SBOs take when adopting technology, and the challenges of time, cost of maintenance, low comfort level, privacy, and lack of awareness faced by women SBOs when doing so, there are significant opportunities for Canada's private industries, government, and the entrepreneur ecosystem to support women SBOs by implementing steps to reduce these barriers, increase their rate of digital adoption, and raise their overall competitiveness.

ESTABLISH NATIONAL TARGETS FOR WOMEN IN TECH LEADERSHIP

In 2016, the Government of Canada took steps aimed at increasing gender diversity in leadership roles by introducing Bill C-25. If passed, this legislation would require all publicly listed companies in Canada to divulge the gender makeup of their boards and senior management. The Government of Canada is well positioned to take this one step further, by exploring the creation of national quotas, or incentives for companies to self-impose quotas for the inclusion of qualified women in leadership positions, particularly in tech.

Countries including Norway, Finland and France have legislated quotas, and also report the highest number of women on board seats among companies listed on the stock index (Catalyst). Australia on the other hand, does not have legislated quotas, but an "If Not, Why Not" policy requires companies to publicize measurable objectives and progress as it relates to increasing gender diversity. As a result of this policy, women in leadership positions more than doubled between 2010 and 2016. (Catalyst)

"We should take a hard look at what other countries are doing," **said Katrina German, Founder of KatrinaGerman.com**. "These countries, with purposeful commitments to increase the number of women in business, and are seeing success."

"If we can make progress with percentiles, and put women in leadership positions, this will have a strong positive impact on the next generation of women in the workforce," **agreed Kimberly Vircoe, Owner of Fruition Studio.**

An increase of qualified women in leadership positions, particularly within tech companies, has enormous potential to increase the rate of digital adoption amongst women SBOs. Their experiences, opinions and input will trickle down to user and customer experience levels, thus making it more likely that the needs of women SBOs will be addressed.

SUPPORT FOR WOMEN, BY WOMEN PROGRAMMING

Digital skills building opportunities designed by and for women are in demand. While 78 per cent of women SBOs have not participated in women-centric digital technology skills building opportunities, 66 per cent report that such programs are extremely or very valuable. Interactive how-to guides, workshops, community initiatives, and videos, were each highlighted by women SBOs as key resources that would make digital adoption easier for their business.

"Some tech startup events are hard to navigate," **said Patricia Crosscombe, Founder & CEO of Ottawa, Ontario-based BoardSpace**, an all-in-one software for building better boards. "You have to be very aggressive in seeking out a team. This isn't how women do things. We work more collaboratively."

Heather Chapple, Founder of FlexHub, a Calgary, Alberta-based company that connects qualified professionals to visionary companies, agrees: "I would appreciate participating in a tech accelerator program just for women, because being connected to female mentors could make a huge difference for my business." Chapple previously participated and found value in a tech accelerator, but also found it to be, in some ways, intimidating and male-dominated.

As three-quarters of women SBOs have not experienced women-centric skills building, but two-thirds of them praise the benefit of such initiatives, support for and awareness of such programs are critical to close the digital gender divide.

DIGITAL SKILLS TRAINING AND UPKEEP GRANTS FOR WOMEN SBOS

Digital skills building and training incentives for women can be used to support SBOs to access training suited to their needs. With incentives to upskill, more women SBOs will become comfortable and knowledgeable of digital technology applications. It is important, however, that such incentives be made available to women SBOs of all ages.

"There are a lot of training and grant opportunities for recent grads, and those under 39," **said Jennifer LeBrun, Founder of Parksville, British Columbia-based ULAT Dryer Balls**, a company that manufactures and sells handmade Canadian wool dryer balls. "There's not as much for middle aged women 40 years old and up to be a part of tech, but there is a huge appetite."

"A program like *Canada Job Grant* would be helpful to support women with technology transitioning," **added Leah Murray, Founder of byteSMART Strategies**, a British Columbia-based small business consulting company. Such a program could specifically support women to upgrade technologies, and integrate existing technologies with new tools.

ESTABLISH A WOMEN LEADERS MARKETING CHALLENGE

It is well researched that individuals are more likely to interact with companies, brands, events, and experiences wherein they see themselves reflected. Therefore, technology companies, government, and entrepreneur support organizations have the opportunity to significantly accelerate the rate at which women SBOs adopt new digital tools by re-evaluating and re-focussing marketing efforts.

These stakeholders are encouraged to come together to create and implement a national *Women Leaders Marketing Challenge.* This challenge can call upon all of the aforementioned parties to set internal diversity goals that include women in all marketing campaigns, and considers the female user experience across all of its programs and platforms.

"We need to do more to remove barriers by celebrating how strong women in technology are," **said Dianne Clark, Systems Architect at Trendspire Canada**. "By doing this, we can remove

this conversation around barriers to adoption altogether."

"Leaders in the community have an opportunity to champion those who are already leading the way," **agreed Kari Gordon, Executive Director of Startup Calgary.** "We have to be purposeful with those whom we choose to put in front of our marketing."

By making a conscious effort to include gender diversity and representation in marketing campaigns, and by challenging others to do so as well, companies, government, and entrepreneur support organizations can address the low-comfort level that 28 per cent of women SBOs feel when attempting to integrate digital technologies into their companies.

FINAL REFLECTIONS

Women are key contributors to the economy, employing millions of Canadians and contributing $148 billion dollars to the Canadian economy annually ([Status of Women Canada](#)). With digital technology use strongly linked to company productivity and efficiency, the digital divide between women and men leaves significant economic potential left untapped. Private industry, government, and entrepreneur support organizations have an opportunity to step up as leaders to support the advancement of digital adoption amongst women SBOs, and close the digital gender gap.

By exploring the implementation of deliberate policies to encourage gender diversity on boards and in management positions, particularly in the tech industry; supporting digital skills building programs designed by and for women; creating digital skills building incentives for women SBOs; by including successful women leaders in marketing campaigns; and by considering the characteristics and traits of women when designing user experiences, Canada can make a powerful leap forward to realize the full economic potential of women in business.

The collaborative leadership of government, industry and the entrepreneur support community will set the tone for the next generation of SMEs by contributing to the removal of systemic barriers to the success of women in business, particularly when it comes to digital technology adoption. Moreover, this approach can make strides to increase the competitiveness of women-owned companies through efficient and rapid digital adoption processes.