



# Growth of Women in Micro Business

CASE STUDY



Susan and her family getting involved in the community

### Desire to Succeed

“Don’t dream it, don’t just dip your toes in, if you are passionate about it then have faith in yourself, gather support from the people that mean the most to you and dive in!!!!!!”

Annie Wilson

### Flexibility

“The corporate world doesn’t offer flexibility and work life balance that women are looking for so they are going out and creating it for themselves”

Vanessa Delforce

## THE EMERGING TREND –MICRO BUSINESS

The growth of the micro-business sector is perhaps the most significant development in Australian business in the past 5 years. A combination of economic drivers, changing legislation and ever growing demands on families has seen an explosion of this type of business.

Economic uncertainty has gripped the developed world since 2008 and has been compounded in Australia by the complexity of a multispeed economy. Regulatory frameworks have been in transition for a number of years, resulting in confusion and increased burden for many organisations. Finally, financial pressures faced by families caused by concerns in regard to rising costs of living, unemployment, and interest rates have taken their toll.

The rate of growth of businesses employing less than 5 employees is in excess of 10% year on year for the past decade and now accounts for more than 60% of all businesses in Australia.

Despite the growth of this sector very little is known about the composition, motivation and challenges faced by this sector. This white paper was authored to shed light on an increasingly important segment of micro business: women.

Micro Business = 5 Employees or Less

Micro Business now accounts for 61% of all businesses Australia

## WOMEN IN MICRO BUSINESS

The Professional Landscape for Women in Australia

- Australia is ranked 1st in the world for educational attainment for women
- Australia is ranked 44th in the world for labour force participation
- An educated woman can expect to earn 45% less than an educated man over her lifetime
- Women can expect at least 55% less in superannuation savings
- Australian women are 2 ½ times more likely than men to live in poverty in old age
- Women hold only 10.3% of management roles in ASX 200 companies

The gender equity debate in the workplace has raged for many years. There has been progress made on many fronts yet there are no metrics which could argue that equity has been reached. The micro business sector may challenge that statement as it becomes more understood.



Aveline with her biggest fan.. her daughter Jade

### Greater Control

“Continue to grow.

The benefits far outweigh the downsides. Women will continue to want to build sustainable viable careers where they can manage their work/home life without needing to explain and justify their needs. Microbusiness totally removes any glass ceiling that has been experienced in corporate work.

It is an incredibly attractive option for women with many roles to fill.”

**Susan Judd**

In February 2011, there were 445,900 women business owners in Australia. This represents 8.7% of all working women. The growth rate of women starting up businesses over the past five years is 7%. Compared with the growth rate of 1.9% of men starting up businesses over the same period, it certainly highlights a telling trend.

As women are increasingly faced with balancing family obligation with financial necessity, micro business offers a unique solution.

The crucial question becomes: Is the growth of women in micro businesses going to continue or will the bubble burst?

445,900 Women Business Owners

7% Women VS 1.9% Men  
(Growth of New Businesses)

### REASONS FOR LEAVING EMPLOYMENT VS MOTIVATIONS FOR ENTERING BUSINESS

There are a number of studies that have been conducted in the areas of micro business and gender equity in the workplace. Few, however, look at the correlations and linkage between the two.

In July 2011, Dr Martie Louise Verreyne of the University of Queensland Business School, and member of the HR Coach Research Institute Review Committee, published findings on business innovation in Australia. The research was conducted in conjunction with the Department of Employment, Economic Development and Innovation. Using the survey instrument created by the Centre for Business Research (CBR) at Cambridge University, over 2000 businesses were surveyed in Australia. Micro businesses represented 31% of the sample.



Kirsty taking time out with family

### Financial Independence

“The only regret I have is that I did not undertake my venture earlier than I did.

When you look at the amount of internet based and home based businesses it is growing and where ever there is an entrepreneur out there, they will create a business.”

**Lynn Cook**

The study identified entrepreneurial drivers are different for male and female entrepreneurs. The HR Coach Research Institute evaluated this research and conducted an external survey on why individuals leave employment to start a micro business. It is important to note that the research returned findings that clearly identified the difference that exists between male and female entrepreneurs as well as distinctions between push and pull factors.

The key findings are listed below.

	Why Leave the Corporate Environment?	Why Start a Business?
Females – Top 3 Reasons	Lack of Flexibility Politics and Work Environment Tired of the Sameness	Flexible Working Life Desire to Succeed Making a Difference
Males – Top 3 Reasons	Don't Like the Job Anymore Management Style Personal Values are Challenged	Financial Independence Greater Control Opportunity

Women are pushed out of traditional employment for many reasons yet there is also a strong desire to be in business for themselves. At a personal level, there is a defined need for flexibility whilst maintaining a satisfactory income. There is also a desire to be connected to others including stronger family relationships, being involved in the community and making a difference to others.

Within this research an interesting result was also a strong desire to build stronger communities, give back and implement new innovative ideas. The satisfaction of implementing new ideas and being a trusted and respected member of the community rated highly.

Despite these results, challenges and barriers still remain.



Karen working at a business expo

### Make a Difference

“SME business are huge and I think that there will be an ongoing market. The types of business might change, but I think the reasons women go into business will not change – many of us are multi skilling and trying to find the balance and working in corporate doesn’t provide much flexibility”

**Belinda McLean**

### CHALLENGES AND OPPORTUNITIES

Challenges faced by women in micro business vary and are dictated by personal circumstances. In the first instance, starting up a new business is not a simple process. The process of leaving employment and moving into self employment is not an easy transition for anyone. Knowing what to do, and creating a business plan for a sustainable business is a challenge. Those who start businesses with support through networks and government assistance do, however, find it easier.

Businesses with less than 5 employees do face specific challenges in relation to building scale, managing client work load, and managing many functions within the business. The way workflows happen and evolve is different and micro business owners need to learn and act fast with limited resources and back up plans. Some women traditionally find the responsibility of family added to their list of duties.

Women business owners identify that support in their business activities is critically important. Support includes personal family relationships as well as community support. Finding what is right for a growing micro business is a challenge as a focus on one particular area of the business can be to the detriment of others.

The opportunities, however, can be plentiful. Finding balance in a busy work and family life can be challenging in employment as flexibility is often absent. Self-employment allows individuals to dictate their work hours, which does not necessarily mean less hours but being available when it counts.

Professional independence and creative autonomy are also rewards that individuals realise in operating their own business. Being able to chart a course and follow it is an opportunity seldom on offer in employment.

#### Challenges

- Knowing How to Start
- Building a Plan
- Managing Everything
- Finding the Right Support

#### Opportunities

- Work- Life Balance
- Independence
- Success

### Opportunity

"Its hard work but well worth it. It won't happen overnight (success and growth) but it will happen and it is VERY rewarding."

**Judy Barker**

### CASE STUDY – HR COACH IN OUR OWN BACKYARD

Over the past 10 years HR Coach has unintentionally conducted a real-time research project on the challenges and opportunities of micro business and in particular the experience of women.

The HR Coach Group was created in 2001 by Louise Broekman as a micro business helping organisations with their human resource needs. As the business grew and employed staff, the opportunity did too. In 2006 the HR Coach Network was launched and offered people an opportunity to join a network of likeminded human resource coaching and consulting businesses whilst creating their own micro business.

As of October 2011, the HR Coach Network has over 90 individual member businesses operating in Australia, New Zealand and Papua New Guinea. **50% are women.**

Having gathered data and analysed market trends over the past decade we thought real stories may shed some light on this little understood sector. We interviewed the women of the HR Coach Network, asking specifically about their motivations, fears and goals relating to moving out of employment and into their own businesses. Here are their stories.



#### **Vanessa Delforce**

Enhanced HR  
Country NSW  
Generation X  
2 Children

Being exposed to a family business growing up I saw the highs and lows of running a business from an early age, but I always knew that one day I wanted to run my own business. After working in the corporate sector for a number of years I became disillusioned with the work and the organisation but couldn't find another HR job where I could work part time at a senior level.

I started Enhanced HR and joined HR Coach in July 2011. The key factors in this decision were the proven model, the supportive network and having a mentor to guide me along my journey.



#### **Susan Judd**

HR Culture  
Country NSW  
Generation X  
2 Children

I have a HR Management and Sales Management background in private/corporate business including banking, manufacturing and business to business sales – with a focus on training, organisational development and HRIS implementation.

I had the desire to be in control of my own flexibility, time and management – I wanted to work in an environment where work and personal values were aligned – and was offered a redundancy which provided me with the financial ability to make the choice of self employment.



### **Marnie McCullough**

People Grow Business  
Townsville North Queensland  
Generation X  
Single

I worked professionally in the field of agricultural science and business support and had a strong interest in applied psychology and what drives the decisions people make in rural businesses.

I have also run a long term grazing business in conjunction with family and also continue to run another micro business which I view as a hobby in the cosmetics industry. I was looking for a change of career direction. I wanted professional development, variety, challenge, people and business rolled together.



### **Judy Barker**

Total HRM  
Albury, NSW  
Generation X  
3 Children  
Tertiary Qualified

I was the National HR Manager for a multi-national company. My role was diverse looking after OHS, Payroll, and HR/IR training.

Prior to this I was in a research position to review the skills shortage in Australia

Whilst on maternity leave my employer offered me this new role, which required 50% of the time out of the country or to become a consultant back to the business. I chose this option and started my own business as it allowed me greater freedom with the kids.



### **Lynn Cook**

Personalised Business Coaching  
South East Queensland  
Baby Boomer  
3 Children, 2 Grand Children

For 25 plus years I was a senior manager in the retail sector. I had enough of non recognition for the personal commitment and sacrifice to myself and my family. I felt that there must be a better life in the work day function where I could really make a difference. I wanted to finally be paid what I thought I was worth.

I would not have started out on my own unless we can across the model of HR Coach as it gave me the "tools" to feel I have something to go to market with.



**Annie Wilson**  
HRHere Pty Ltd  
Traragon, Victoria  
Baby Boomer  
2 Children

I have extensive experience in senior Human Resource Management.

I am also a qualified Personal Trainer, so I have experience working very closely with people to assist, motivate and drive them to achieve personal success.

I was frustrated with the lack of decision making power, always having to report to someone else, at times with less experience and skills than myself. I had the desire for more flexibility in my working hours. I had a need to be further challenged as opportunities were not available.

I identified the need and the desire to assist like minded business owners who need assistance. I wanted autonomy in my job.



**Jo Hanlon**  
Mind Your Ps  
Central Coast, NSW  
Baby Boomer  
2 Step Children

I've had several professional roles during my career including Nursing, Sales and Marketing Management, International Business Development and Strategic Planning and Business Unit Manager.

To make maximum use of my skills and follow my passion for People, it was time to make a paradigm shift for myself. I chose to launch into the world of business ownership! Being my own boss works well for me, as I have a need for and love of flexibility, variety and independence, I get to choose who I work with, I have confidence in myself and others around me and I have a very supportive husband.



**Belinda Fyffe**  
Unlock Success  
Ballarat, Victoria  
Gen X  
Married

My first career was in Accounting, and then HR. From there I moved into a Training Manager role in the Retail Pharmacy industry, where I was responsible for the overall training.

With a shift in business location, I decided to start my own business. I wasn't sure what in but when I found HR Coach I knew this was it. I joined and began Unlock Success.





### **Coralea A'Court**

Avon People Management  
Chidlow, WA  
Baby Boomer  
Married

I set up my first business in the 1980s. I managed budgeting, merchandising, stock control, staff mentoring and training. I had developed mentoring and training skills – working with women and children in domestic violence and in healthcare and programs for the homeless. I then worked as a HR Manager for a mining contract drilling company for 3 years. Then it was time for me to do something for myself.



### **Karen Aldridge**

HR Fix  
Sydney, NSW  
Generation X  
3 Children

I was working in the corporate arena in generalist HR and senior HR positions. Industries varied however within the last 6 years prior to starting my own business, they were dedicated to the telecommunications industry.

The dissatisfaction of returning to a corporate career after having children to find that the decisions being made within the corporate arena in terms of human resources were not necessarily made on sound business decisions. I could not connect with the corporate environment in the same way.



### **Deborah Peppard**

HR Staff n' Stuff (Aust) Pty Ltd  
Melbourne Victoria  
Generation X  
Same sex married

I had a successful award winning management career. I was a senior level retail manager in a range of organisations responsible for all operations of the retail businesses I ran, including all sales and operations as well as a heavy emphasis on leadership, people management and HR.

The frustration I continually felt with incompetent managers making decisions that affected me and my life (and my team), with no consideration given to my feedback, as well as the disconnect between the companies espoused values, and the actuality of working there eventually got the better of me. I decided that there had to be a better way to work, and decided to go into business for myself. Now I get to help other businesses not make the same mistakes I encountered, and hopefully that's having a positive impact on staff in those businesses too.



### **Belinda McLean**

Human Resources Focus  
Sydney, NSW  
Generation X  
2 Children

I was employed in Human Resources Consulting for large corporates, as well as working as a HR Manager for a large Government organisation. I was getting tired with the lack of flexibility in employment and I did not want to commute any more.

Having said that, there was also a lack of professional opportunities in the local area that paid well. So looking at going into my own business seemed like a logical solution.



### **Kirsty Peters**

5 Star HR  
Sydney NSW  
Gen X  
2 Children

I progressed in the HR field over a 12 year period after graduating University. I also spent 9 years in Australia in Generalist HR Management roles in Health Care and Hospitality.

I had worked in a senior HR Management role for several years and returned on a part-time basis following my 2nd child. I took the decision to set up my own business as I wanted a change and had no interest in working for another employer. This seemed a logical next step for me and from a family perspective; we were in a position to consider this option without being under any significant financial pressures.



### **Aveline Clarke**

Adaptive HR Solutions  
Melbourne Vic  
Gen X  
3 Children

I worked at a strategic and executive level in Corporate HR and this helped me understand the mindset of business, corporate Australia, power dynamics in workplaces and how far Australia still had to go before women were treated as equal in the workplace.

My strategic HR roles were 'game changers'. This background gave me the experience, confidence and wisdom to then apply to my own business working in the SME sector.

## GROWTH OF WOMEN IN MICRO BUSINESS



### **Karen Packer**

Packer & Associates  
Gold Coast  
Baby Boomer  
3 Children

As a Senior Manager, for International and National companies I was accountable for leading global and national teams to successfully implement strategic HR and Learning project outcomes for some of Australia's largest companies.

Although I loved this work, it became increasingly hard to maintain a satisfactory work/life balance due to the excessive hours required of the role in order to deliver on client and company expectations.

I decided to put my skills, expertise and hard work to use through the creation of my own business. This way I could continue the work I love and still assist businesses with creating HR frameworks which support compliance, risk management and people capability aligned to their business goals.



### **Michele Kenworthy**

Worklife Development  
Sydney  
Gen X  
Single

I completed an accounting degree whilst working at the tax office, and in my own small business whilst completing a Psychology degree. I then joined the Federal Police.

I realised I wanted more from life so left and went into corporate business consulting. Learned valuable skills but preferred working in small business environments and the freedom and creativity of building my own business.

I had a desire for freedom, autonomy, creativity, sense of mission and wanting to contribute in my own way.

The continued growth of the micro-business sector is perhaps the most important factor for the future stability and prosperity in the Australian economy. The sector has the ability to bolster society like no other as it can address both the financial and personal factors of the modern family. Micro businesses are organic and self supporting and require little investment and even less help from government. The strength of the Australian economy will be dictated by the growth of the micro business sector and in particular the participation of women.

## ABOUT HR COACH

The HR Coach Group is backed by the HR Coach Research Institute and supports 90 Network Members across Australia and New Zealand. For more information on HR Coach and the HR Coach Network visit [www.hrcoach.com.au](http://www.hrcoach.com.au)

## FOR MORE INFORMATION



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Minimise Risk | Maximise Performance

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