SUCCESS FACTORS OF WOMEN’S SMALL BUSINESSES IN COLOMBIA: THE CASE OF BUCARAMANGA

PURE PERSEVERANCE: A STUDY OF SMALL BUSINESSES IN COLOMBIA

SUCCESSFUL WOMEN ENTREPRENEURS ARE MIDDLE INCOME
Most successful entrepreneur are middle income, not necessarily high income.

SOCIAL FACTORS

EDUCATION MATTERS
59% of successful women entrepreneurs have a tertiary degree.

FINANCING

WOMEN ENTREPRENEURS FACE CAPITAL CONSTRAINTS
A full 75% of women used some kind of credit from family and friends, financial institutions, and/or moneylenders to fund their businesses, compared to only 50% of men, who were more likely to use their savings.

BUSINESS FACTORS

WHAT DO WOMEN ENTREPRENEURS SAY LEADS TO THEIR SUCCESS?
70% High quality product
51% Customer service
18% Knowledge of market and competition

FOCUS ON BUSINESS
Almost 100% of successful women reinvested profits in their businesses, rather than using them to pay off debt or diverting it to household needs.

ESTABLISH A FORMAL BUSINESSES
In the last 5 years women’s formal businesses grew 121% more than informal businesses. Formalization was associated with good reputation, greater access to finance, better sales, and most importantly, asset growth.

START A BUSINESS WHILE YOU ARE YOUNG
Successful women entrepreneurs are on average 11 years younger than unsuccessful women, as young women have fewer family responsibilities, fewer children and minimize personal expenses by living at home with their parents.

EDUCATION MATTERS
59% of successful women entrepreneurs have a tertiary degree.

FAMILY SUPPORT COUNTS
Men (32%) were more likely than women (15%) to mention help from family as a key success factor. Help from family comes in the form of free labor, financial support or emotional support.

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Characteristics of the Study

The study was developed by Jennifer Powers and Barbara Magnoni of EA Consultants, and commissioned by the Multilateral Investment Fund, member of the IDB Group. More information at www.women.fomin.org

Sample: This study analyzed gender-disaggregated data for a sample of 12% of approximately 55,000 businesses registered with the Chamber of Commerce in Bucaramanga over a five-year period (2005-2010).

Successful businesses are defined as those with positive growth in sales each of the last 3 years. Small Businesses are those with assets between approximately US$150,000 and US$1,500,000.

20-30 YEARS OF AGE
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