

Women's economic power up

By Deborah Nason

The growth and economic strength of women-owned firms in the Blue Ridge Region in recent years has been dramatic and, although its economic impact has not been explicitly tracked, a few people in the region are taking notice. Study and study has shown an increasingly strong economic role for women business owners and projections are for continued increase and, perhaps, someday even the, heretofore, unthinkable: parity.

Still, there are pockets of resistance, pockets where women are still either limited by the system or are limiting themselves to certain areas of commerce.

A 1997 US Census update reveals that there were 4,326 women-owned firms in the Roanoke area, a hefty 24.5% of all firms. Similarly, the Lynchburg area included 3,299 women-owned firms, yielding a respectable 23.5% of its total businesses. Women-owned firms in Roanoke employed 7,231 people. In Lynchburg, the number was 6,990.

The Center for Women's Business Research projects that in the five years between 1997 and 2002, Virginia's women-owned firms with employees will have grown by 31%. That is 2.5 times the growth rate of all employer businesses in the state. There were no growth statistics available for the Roanoke and Lynchburg metropolitan statistical areas.

Brenda Liles, a sales representative for Staples, covering a territory from Lynchburg to Wytheville, has noticed a marked increase, especially in the last four months, in new accounts from women starting their own businesses. She says, "I'm impressed with the variety of fields, not just the increase in numbers, especially over the past four months." She sees women-owned firms "expanding beyond the traditional roles of dress shop or hairdresser, moving into areas

like construction, architecture, accounting, web design, business consulting and medical practices."

Localities don't keep statistics on business licenses based on gender in Virginia, but Nancy Horn, Roanoke County Commissioner of the Revenue, who oversees the issuance of business licenses, says she has noticed a gradual increase in the numbers of female applicants over the years.

"Know thyself. Know your strengths, weaknesses and limitations. If you're well grounded you'll be better prepared for the challenges ahead."

- Tameo Franco
East West Dye Co.



If more women are starting their own businesses, are they doing so without help? Staffs of the Small Business Development Centers in both Roanoke and Lynchburg are not aware of any significant growth in female clients over the past few years. Instead they have noticed that their numbers are rising along with the general population. The Small Business Administration in Richmond reports that very few women in this region are receiving SBA loans.

In looking over the 1997 statistics (see sidebar) it appears that women-owned businesses in the Blue Ridge Region are lagging behind the nation and the state of Virginia in emerging from the female stronghold of retail.

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Nationally and statewide, retail accounted for only 17% of women-owned firms. In Roanoke and Lynchburg, the percentages were 23% and 21%, respectively.

According to Matt Kennell, president of Downtown Roanoke, Inc., almost all the downtown boutiques are women-owned, as well as at least 50% of the retail stores and restaurants. "Downtown spawns entrepreneurship. And much more than 50% of the market vendors are women" he says.

Millie Moore, a commercial realtor with Boone & Company, observes that tenants in seven local shopping centers reflect an even split between male and female owned businesses. She has noticed that "generally the franchises tend to be owned by men, and the independent, more creative shops are owned by women."

The following italicized statements are recent key findings supplied by the Center for Women's Business Research.

"Women-owned firms continue to diversify into all industries. Construction, manufacturing and transportation have seen the largest recent increases in the number of women-owned firms..."

Beth Doughty, President of the Roanoke Regional Chamber of Commerce, can vouch for this finding. She was amazed to discover that women-owned businesses are represented in all 91 categories of the Chamber's upcoming directory of minority and women-owned businesses.

On another front, Nancy Horn, Roanoke County Commissioner of the Revenue, has been intrigued by some of the new types of businesses for which women have been seeking licenses. Over the past five years she has seen a septic tank cleaning company, a painting contractor, lawn

Continued on next page

Women

From first page

care services (with female service providers), and a building contractor.

"The greatest growth in the number of women-owned firms is seen in construction (36%). Sales in construction increased by 94%."

A representative of this trend is Roanoke based Sweeney & Associates, owned by AnaLisa Waggle, which provides electric, heating and air conditioning services and is a federally certified woman-owned supplier. She has benefited greatly by being a woman-owned business in that she can participate in federal and state government contracts. In fact, the bulk of her work comes from those sources. Her company has also done work for local firms such as Mod-U-Kraf. Founded in 1993, her company has experienced a high rate of growth, and anticipates over a million dollars in sales next year.

"Women who started or acquired their firms within the past ten years are more highly educated than women who have owned their firms for 20 or more years, and have higher levels of pre-entrepreneurial management experience."

Elaine Tuttle owns the five-year old Business Advisory Group, a Roanoke area management consulting firm focused on the technology industry. She believes that many women, like her, started their businesses after having "ten, twenty years of experience, then running into glass ceilings.

My generation is the first to have a significant number of executives and professionals."

Mary Alice Preston founded the consulting firm, The Business Center for Performance, in the Lynchburg area in early 2000. After a long training career with the US Bankruptcy Court in Lynchburg, she took early retirement for the express

are not afraid to take risks."

"Although most women are attracted to entrepreneurship for positive reasons, the past 20 years have seen a rise in such motives as frustration with work environments, the desire for greater challenges and more flexibility."

Catherine McFaden, of the Small Business Development Center in

Lynchburg agrees. She is seeing more and more women "considering the option of starting businesses in response to layoffs, job insecurity, relocation, higher divorce rates."

"In research conducted internationally during the past two years, women business owners voice similar needs for their businesses' development – access to capital, access to education/training, access to networks and markets, and to be taken seriously."

Although women business owners may have some similar needs, because of their diversity, they are not a unified force in the area. There was a local chapter of the National Association of Women Business Owners (NAWBO) that folded about four years ago. The chapter had been an active one for a

number of years, with membership at one time up to 100. Why did it fold?

Deb Oyler, founder of Environmental Directions, a ten-year old environmental laboratory and consulting firm in Roanoke, was the last president of the chapter. She suggests several contributing factors:

- Diverse interests: members included retailers, professionals, manufacturers, industrial firms, sole

What women own

National

All women-owned firms: 5,417,034 (26% of all US firms)
Number employed by women-owned firms: 7,076,081
Sales by all women-owned firms: \$717.7 billion

Virginia

Number of all women-owned firms: 132,219 (27.5% of all Virginia firms)
Number employed by women-owned firms: 172,227
The Center for Women's Business Research projection for 2002: 226,340
Sales by all women-owned firms: \$17.5 billion
The Center for Women's Business Research projection for 2002: \$25.4 billion

Roanoke Metropolitan Area

All women-owned firms: 4,326 (24.5% of all Roanoke-area firms)
Number employed by women-owned firms: 7,231
Sales by all women-owned firms: \$859.1 million

Lynchburg Metropolitan Area

All women-owned firms: 3,299 (23.5% of all Lynchburg-area firms)
Number employed by women-owned firms: 6,990
Sales by all women-owned firms: \$1.49 billion

purpose of starting her business performing occupational assessments and training.

Preston is seeing higher education play a role in younger women's attitude toward self-employment. In a recent career-related talk she gave at Sweetbriar College, she was surprised to find over thirty young women in attendance who were planning to become consultants. She believes "the up and coming generation has more of an independent spirit. They

Continued on next page

Women

From second page

proprietorships and firms with employees. Beyond their gender, members did not necessarily have much in common.

- Lack of time: business owners are busy, and the newer ones are especially strapped for time for activities not directly related to generating sales.

- Stigma of membership: some owners do not perceive any advantage to identifying themselves as women business owners. Many want to be considered as businesspeople, without regard to gender.

Oyler misses the information sharing, mentoring and advocacy opportunities she gained from the local NAWBO. She still feels that the region's women business owners could benefit from having a unified voice for advocacy. For example, she says, "we could be lobbying the City of Roanoke to actively encourage and solicit women-owned firms."

There are diverse responses to the subject of being taken seriously. Depending on who you talk to, the term "Woman-Owned Business" connotes a stigma, an advantage, or a non-issue.

Virtual IT, founded in early 2000, describes itself as a technology-focused business management company. Juliet Silver owns the company, which is headquartered in Bedford.

She doesn't mind the label of "woman-owned business" because she has been able to use her gender to take advantage of government opportunities in areas such as the Department of Energy and the Department of Defense. After many years in the information technology field, Silver is used to working within a male dominated environment. She acknowledges that "you have to work twice as hard as a man."

For Analisa Waggle, the owner of a construction-related business, her gender has proven to be a hurdle and

an advantage. Along with other women in traditionally male-dominated industries, Waggle feels her company often has to prove itself to the local market. It can be lonely sometimes too; there are not many female mentors available locally in her field. "If it wasn't for my family, I don't know where I'd be" she says. Waggle encourages other women-owned businesses in the area to set up a support group where they can share information on new laws, scholarships, management problems and solutions. She credits the SBA and the Small Business Development Center for providing her with profitable guidance and contacts.

Tamea Franc, owner of 15-year-old East West DyeCom, says it has taken longer to earn men's respect in her industry, but she has never let that stop her success. She had not thought about how her gender could benefit her business until a military supplier sought out her firm to engage as a subcontractor in order to fulfill the requirements of a federal contract. She may pursue more of these opportunities in the future.

Franco strongly encourages women to start their own enterprises. Her advice? "Know thyself. Know your strengths, weaknesses and limitations. If you're well grounded you'll be better prepared for the challenges ahead."

Katie Wallace says she is more preoccupied with the overall business climate of Roanoke than with the issue of her femaleness. As the owner of the advertising firm, The Wallace Agency in Roanoke, she says that she has not encountered any obstacles based on her gender. She has found in fact, that the competitive climate of the past five years has helped women. "Nowadays, it doesn't matter if you're a man or a woman. It only matters if you're good. People want results."

"The fact that sales and employment are increasing at more than twice the rate of overall growth in the number of firms reveals the growing economic impact of women-owned firms..."

There is a significant arena where female-owned businesses are driving

the economic engine, and that is in downtown Roanoke. "They definitely are a force downtown - there are a lot of women leaders" says Kennell. It took only seconds for him to rattle off a list of names of well-known downtown businesses owned by women, including Twist & Turns, Alexander's Restaurant, La De Da, VanBlaricom & Frantz, The Packett Group, World Travel, Gallery 108 and others.

Aside from downtown Roanoke, there is other evidence of the impact of women owned businesses on the local economy:

- The Business Advisory firm imparts a ripple effect on the local economy through its work with a large network of subcontractors.

- Sweeney & Associates' uses local subcontractors such as Southern Air, John T. Morgan Roofing, and Virginia Sprinklers.

- The eleven-year old Wallace Agency has contributed the type of economic development that the area is begging for: bringing young workers to Roanoke. The company recruits young talent from New York, Charlottesville, Washington, DC, Raleigh and Atlanta.

- Virtual IT has grown from two to twelve employees in almost two years. Also, the company is in the process of buying a building on Church Street in Roanoke, where it plans to relocate, thus contributing to the city's desire to locate high tech oriented companies in its downtown core.

- Beth Doughty has observed "more and more women in positions of leadership, possibly because of their increased business skills."

Women-owned businesses are slowly gaining ground across the country, but they do not necessarily want to make their presence known. Many feel simply that "business is business" and their gender should not be an issue. Elaine Tuttle thinks the reason we are not hearing too much from women business owners as a group is because they are simply too busy "quietly working 80 hours a week, worrying about customers and products and employees." In other words, they are just tending to business, like their male counterparts.