

## 12. Country Report of New Zealand<sup>1</sup>

### 12.2 Current Status of Women Entrepreneurs of New Zealand

The number of women entrepreneurs in New Zealand closely follows global trends, with men making up a significantly larger proportion in startups, small and growing businesses, and growth-oriented entrepreneurship in general. This gender imbalance is widely recognised across the entrepreneurial world (COMPASS, 2015).

This gender gap closely resembles the gender gap evident in computer science and ICT fields. There are numerous opinions surrounding the cause for the gender gap in ICT, from misconceptions of what this area entails, to preconceptions of who is expected to work in this space, all of which appear to be based on an ingrained stereotype for the field that is unattractive to most females (Kendall, 2017). Many speculate that popular culture fosters a subconscious acceptance of STEM fields as male-only fields, while fields such as arts or design are female fields. Unconscious bias towards these mentalities is strong, particularly in Western countries. New Zealand is no exception.

There may be similar underlying reasons for the gender imbalance across entrepreneurs, and business startups in New Zealand. Whatever the reason, it is clear that these two gender gaps compound in the case of technology-related startups. The result is that ICT start-ups and young businesses have a significantly low ratio of women to men.

While in New Zealand it is (formally, at least) encouraged for women to break free of stereotypical career choices, and to take advantage of the growing opportunities that exist in the ICT startup space, women often encounter barriers in the entrepreneurial world that men do not.

There are currently several groups and initiatives in New Zealand which have taken steps to actively promote entrepreneurship to females, or provide support and assistance to women interested in finding out more about entrepreneurship opportunities.

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## Lightning Lab by Creative HQ

**Figure 1.** Lightning Lab by Creative HQ



Source: [www.lightninglab.co.nz](http://www.lightninglab.co.nz)

One initiative supporting growth of female entrepreneurship is Lightning Lab, a business acceleration programme which takes startups through four months of intensive support and growth fostering.

Lightning Lab is a programme initiated by Creative HQ<sup>2</sup>, an organisation which runs incubation and acceleration programmes dedicated to furthering high-growth businesses in New Zealand. Creative HQ itself obtains a significant amount of its financial support from WREDA<sup>3</sup>, the Wellington Regional Economic Development Agency, which supports economic performance in the Wellington region in New Zealand.

As a programme, Lightning Lab is a member of GAN<sup>4</sup>, the Global Accelerator Network, an international community of organisations aimed at providing support to startups and young businesses. Through this connection, Lightning Lab supports startups with high-end mentoring, over \$1M worth of free services, introductions to investors, and access to a worldwide network of soft landing spaces.

**Figure 2.** Lightning Lab XX



Source: [www.lightninglab.co.nz](http://www.lightninglab.co.nz)

While the Lightning Lab programme does not exclusively focus on promoting entrepreneurship to women, it has proposed significant efforts to this end.

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<sup>2</sup> [www.creativehq.co.nz](http://www.creativehq.co.nz)

<sup>3</sup> [www.wellingtonnz.com/about-wreda](http://www.wellingtonnz.com/about-wreda)

<sup>4</sup> [www.gan.co](http://www.gan.co)

In 2015, Creative HQ, which runs Lightning Lab, proposed the next startup accelerator programme to focus on startups led by women (those with at least one female founding member on the executive team). According to Creative HQ, this initiative is inspired by a study released by the Kauffman Foundation<sup>5</sup>, which indicates that focusing on advancing the number of female entrepreneurs and female-led startups could transform the impact of women on the economy, with positive effects on the same scale as the 20<sup>th</sup> century's shift in gender balance in the workforce in general (Stangler, 2014).

To this end, Creative HQ invited public contribution to thoughts on how to develop and evolve an initiative to increase the presence and impact of women in ICT fields and ICT startups. The initiative, referred to as Lightning Lab XX<sup>6</sup>, ran for the first time in March 2016 in Wellington, New Zealand, and saw 9 teams from across New Zealand participate. After the 14 week support and development period, the 9 teams presented their startups at the Lightning Lab Demo day, to other entrepreneurs and over 700 investors.

Creative HQ holds that team diversity (in any company, as well as startups) creates a more balanced atmosphere and ecosystem, and ultimately stronger teams and companies. This position is becoming more widely accepted to be true, and results from numerous reports and studies show higher company and organisational performance where the executive team is more gender-balanced.

Not just in New Zealand, but on the international stage, the importance of gender-balanced teams is now widely recognized. The 2015 Global Startup Ecosystem Ranking report shows an 80% increase in female founders in the last three-year period (COMPASS, 2015). In 2015 First Round Capital, a Silicon Valley venture capital firm, released a report showing the ten main lessons learned about startup investment in the first ten years since initiation in 2005. The first lesson addressed in the report states that female founders outperform their male peers, and that startups with at least one female on the executive team achieved results 63% better (from an investment/return perspective) than those with only males (Round, 2005). Catalyst, the non-profit diversity advocate, found that of Fortune 500 companies, those with women in leadership roles increased the return on company equity by 53% (CATALYST, 2013).

Many other investors have openly stated that as a rule, they will only invest in startups with gender-diverse executive teams, since statistics show that this generates a better investment return (Quinton, 2015), (Cooney, 2015).

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<sup>5</sup> [www.kauffman.org](http://www.kauffman.org)

<sup>6</sup> [www.lightninglab.co.nz/xx](http://www.lightninglab.co.nz/xx)

**Figure 3.** WE Network



Source: [www.wenetwork.co.nz](http://www.wenetwork.co.nz)

Another New Zealand network supporting women entrepreneurs and women-led businesses is WE Network<sup>7</sup>. Founded by Rachel Lewis in 2016, WE Network is essentially a platform to provide and facilitate peer mentoring for women in business, provide them opportunities to promote to a network of over 10,000 other New Zealand businesswomen, and lead workshops aimed at developing business marketing, branding, and growth strategies aimed at achieving results faster.

WE Network also assists women who are in very early stages of entrepreneurial effort, or are only just considering starting up their own business. Many of their workshops cover topics such as business plan development, maximizing productivity, marketing strategies at early startup stages, and the expertise that most women will not have been able to develop in a corporate environment. The primary objective for these workshops is to equip prospective female entrepreneurs with the necessary business skills before investing large amounts of capital.

According to Rachel Lewis, while there may be numerous reasons for women deciding to start their own business, many women become frustrated with being employees in a corporate world, battling glass ceilings and striving to succeed in a world which, though some may deny it, still favours males over females. This can lead them to a decision to pioneer their own business without the corporate limitations (Iles, 2017).

Lewis also acknowledges there are also many women who would break away from the corporate world, but lack the funding, resources, and support, or find that their lifestyle or family environment prevents them, which can lead to a lack of confidence and discouragement. This is where WE Network is able to help in offering peer support, encouragement and skill development (Iles, 2017)

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<sup>7</sup> [www.wenetwork.co.nz](http://www.wenetwork.co.nz)