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Women Business Owners and the Impact of COVID-19

Pre-read Document for Roundtable Event

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Women Entrepreneurship Knowledge Hub (WEKH) is a national network and accessible digital platform for sharing research, resources, and leading strategies. With ten regional hubs and a network of more than 250 organizations, WEKH is designed to address the needs of diverse women entrepreneurs across regions and across sectors. In response to COVID-19, WEKH adopted an agitator role connecting women entrepreneurs and support organizations across the country and led network calls and training sessions. WEKH's advanced technology platform, powered by Magnet, will enhance the capacity of women entrepreneurs and the organizations who serve them by linking them to resources and best practices from across the country.

With the support of the Government of Canada, WEKH will spread its expertise from coast to coast, enabling service providers, academics, government, and industry to enhance their support for women entrepreneurs. Ryerson University's Diversity Institute, in collaboration with Ryerson's Brookfield Institute for Innovation + Entrepreneurship and the Ted Rogers School of Management, is leading a team of researchers, business support organizations, and key stakeholders to create a more inclusive and supportive environment to grow women's entrepreneurship in Canada.



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Sponsors

Sponsors of this project include the Government of Canada, Social Sciences and Humanities Research Council.



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Acknowledgements

We would like to acknowledge contributions from Cathy Williamson, Senior Manager, Strategic Initiatives, BMO for Women; and Laura Reinholz, Director, BMO for Women

Date published:

November 9, 2020

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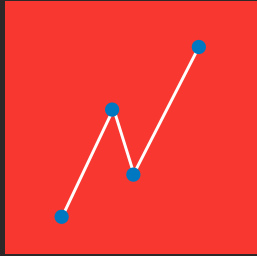
Introduction

Small and medium-sized enterprises (SMEs) are the backbone of the Canadian economy, but currently only about 16% of SMEs with one or more employees are majority women-owned. While more women than ever before are starting businesses, women-owned companies tend to be smaller, newer, and less well-financed than those owned by men (Cukier et al, 2020). Over 83% of women-owned SMEs use personal sources of financing to start their businesses (ISED, 2018; Cukier et al, 2020) and more than half (58%) of Canada's small business owners started out with less than \$5,000. Women entrepreneurs are more likely to have businesses in service industries such as retail, accommodations, food service, and tourism—sectors that were particularly hard hit by the pandemic. Yet, in spite of the undeniable hardships faced by women entrepreneurs, including the crushing burden of unpaid work in shouldering the lion's share of childcare and family support, many women entrepreneurs demonstrated their resilience during this challenging time. Many lost sales, laid off staff, or even went out of business, but others pivoted to online distribution channels, created new products and services, or expanded into new markets.

To celebrate business owners' innovation and resilience during the pandemic and provide additional support, BMO Celebrating Women—a BMO-owned community program—has pledged \$100,000 in grants to Canadian entrepreneurs. This

new grant program will award ten women-owned businesses with \$10,000 to put towards their business. The present report highlights the diverse characteristics of the people and businesses who applied for this grant. Since its inception in 2012, BMO Celebrating Women has honoured more than 180 women in communities across Canada and the United States. The new BMO Celebrating Women Grant Program is part of the bank's commitment to drive the advancement of women and to "boldly grow the good in business and in life." In addition to this new grant program, BMO has developed programs and invested in solutions to support women entrepreneurs, including pledging \$3 billion in capital available to women-owned businesses across Canada over a three year period.

To celebrate business owners' innovation and resilience during the pandemic and provide additional support, BMO Celebrating Women has pledged \$100,000 in grants to Canadian entrepreneurs.



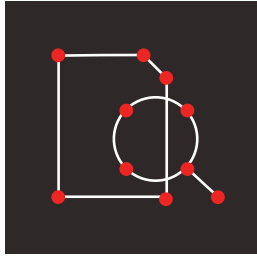
The Study

The *BMO Celebrating Women Grant Program* was launched earlier in 2020, in collaboration with Deloitte, with the goal of celebrating women who have shown resilience and innovation during the pandemic. The program aims to select ten women-owned businesses from across Canada who will each receive a \$10,000 grant. A survey was used to collect information and demographic data on the applicants. A total of 1,030 women applied in the hope of becoming a recipient of the BMO Celebrating Women Grant Program. The quantitative data is summarized in the first section of the report. Leximancer software and manual coding were used to analyze the qualitative data, leading to the discovery of ten major themes. Using Leximancer, we conducted an analysis based on the frequency and co-occurrence of concepts in textual data. Indeed, the software is “designed to be an efficient and largely language independent system for

tagging, mapping and mining conceptual information from large text collections” (Grech, Horberry, & Smith, 2002, p. 1). Leximancer employs several steps for selecting themes and concepts, including building a thesaurus of words through relative co-occurrence. Among frequently used words and the terms clustered around these words, the concepts that are most prominent are grouped into “themes” (Cretchley et al., 2010, p. 319). It should be noted that even though some concepts do re-appear in other themes, the underlying terms are directly correlated to the relevant theme under which it is situated. Common words such as “and” and “or” were excluded from analysis. The resulting concept map is a visual representation of high-level “themes, concepts, and ideas” within the text data (Penn-Edwards, 2010, p. 253). To complement the Leximancer process, we also manually coded the data and performed content analysis

in order to deepen the understanding of the context surrounding the results of the software. This manual process was paramount in order to have a more granular comprehension of the respondents’ answers. We methodically went through the survey responses to validate emerging themes and analyze the discourses around them. This multi-approach analysis illuminated several key themes for each question asked to the respondents, which are discussed at length in the second section of the report.

A total of 1,030 women applied in the hope of becoming a recipient of the BMO Celebrating Women Grant Program.



The Findings

About the Entrepreneurs

The majority of applicants are concentrated in three age groups (see Figure 1): 35 to 44 years old (36.1%), 45 to 54 years old (26.6%), and 25 to 34 years old (21.3%).

More than half of the applicants (59.9%) are from Ontario (see Figure 2) and the vast majority of the applicants are English speakers (96.3%).



FIGURE 1

Age Bracket of Applicants

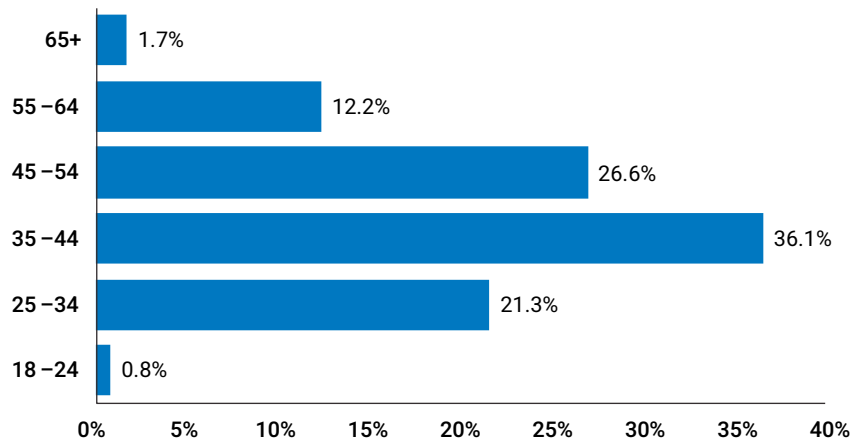
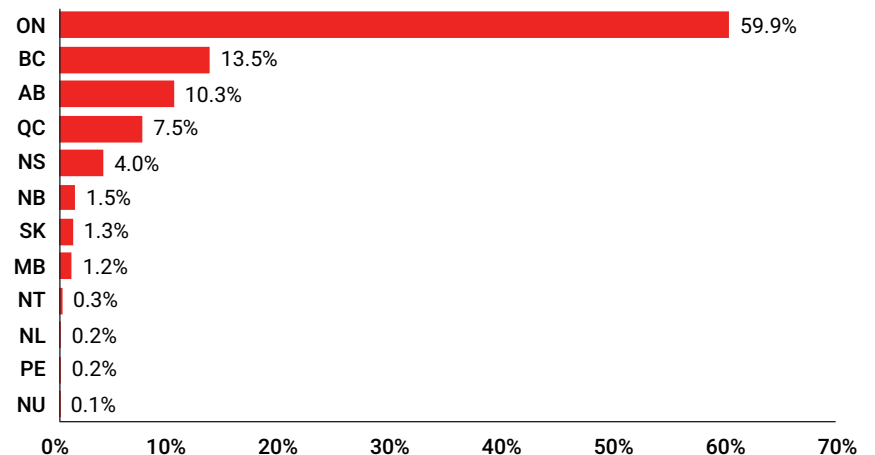


FIGURE 2

Geographical Distribution of Applicants

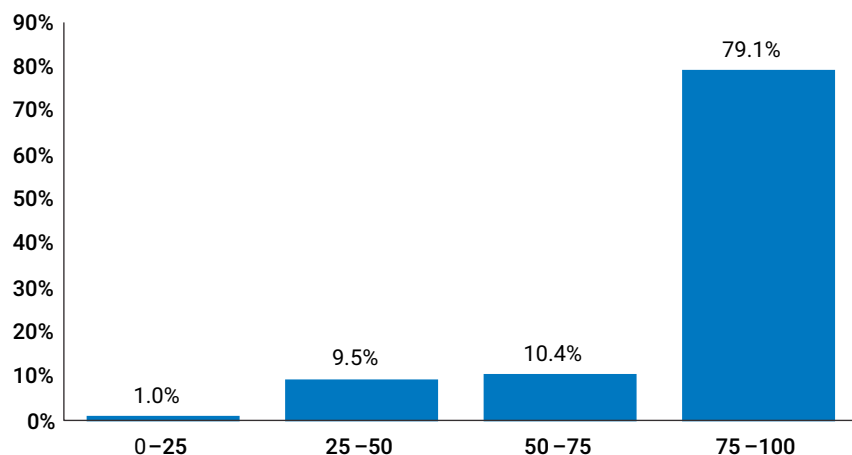


About Their Businesses

More than three quarters (89.5%) of the businesses that applied for the grant are majority-owned by women, which was expected as one of the criterion for the grant application was that the business had to be at least 51% women owned or controlled. However, 75.5% of the businesses are 100% women owned, which is testament to the growth of women entrepreneurship in Canada (see Figure 3).

FIGURE 3

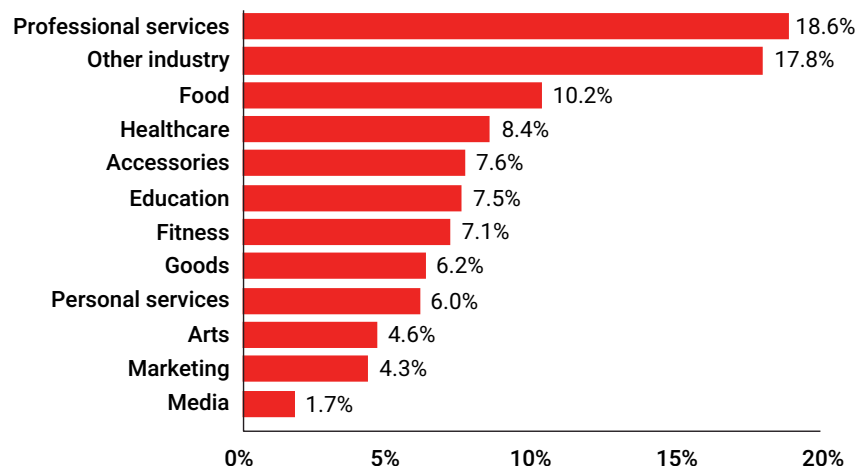
Percentage Business Ownership by Women



The businesses are from diverse industries, including professional services (18.6%), food industries (10.2%), healthcare (8.4%), accessories (7.6%), education (7.5%), fitness (7.1%), goods (6.2%), personal services (6.0%), and others. This data clearly illustrates that talented women business owners are everywhere (see Figure 4).

FIGURE 4

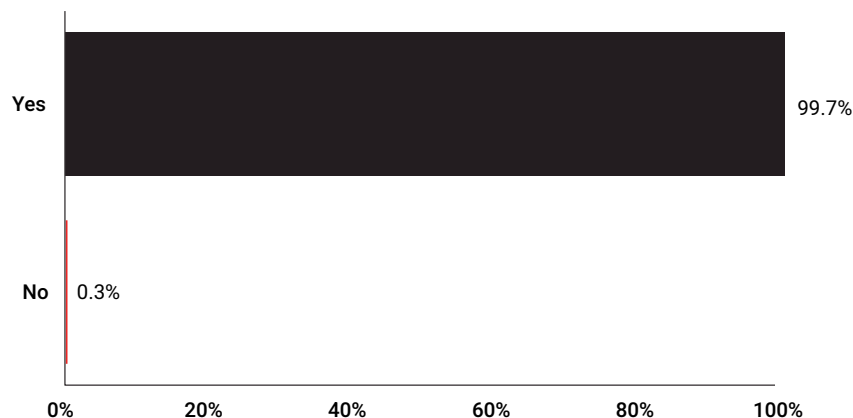
Industry Distribution



Almost all the owners manage and operate their businesses by themselves (see Figure 5) which can be partly explained by the data showing that women-owned businesses tend to be smaller (Cukier et al., 2020).

FIGURE 5

Owner Managed and Operated



65.3% of respondents anticipate revenues of less than \$250k in 2020.



Most of the companies are microbusinesses: 85.4% of the businesses have fewer than 10 employees, 13.4% have 11 to 50 employees, 0.8% have 51 to 100 employees, and 0.2% have either between 101 and 150 employees or more than 201 employees (see Figure 6).

The survey asked about the business's 2019 revenues compared to its estimated 2020 revenues. More than half of the businesses had less than \$250k revenue in 2019. Additionally, 65.3% of respondents anticipate revenues of less than \$250k in 2020. Less than 1% of the business earned revenues in the \$5M–10M range in 2019 (0.8%) or expect such revenues for 2020 (0.7%). Respondents are spread fairly evenly across the remaining categories (\$250K–500K, \$500K–1M, and \$1M–5M), as shown in Figure 7.

FIGURE 6

Number of Employees

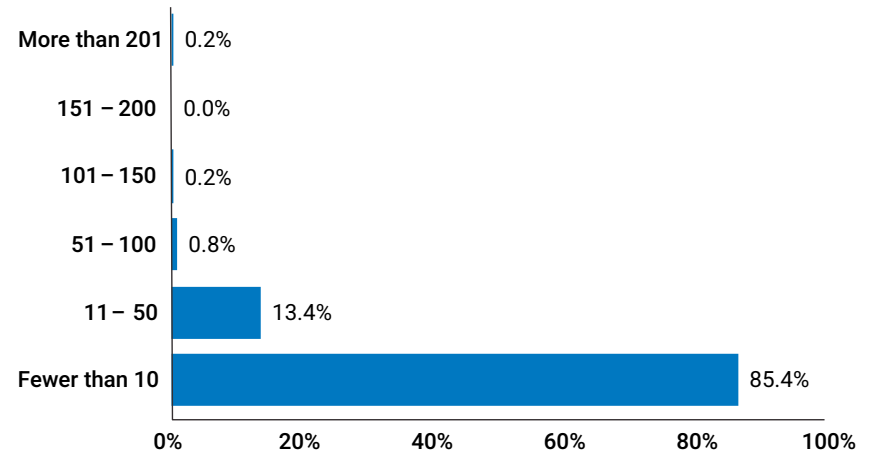
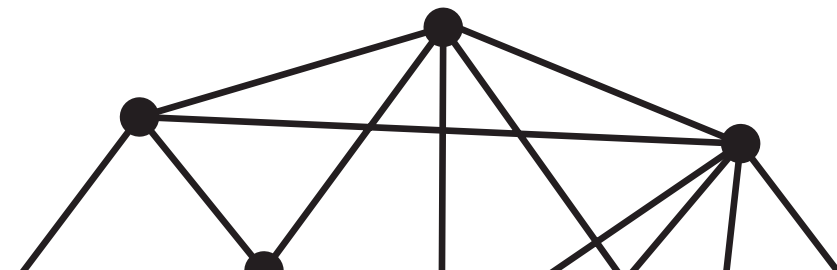
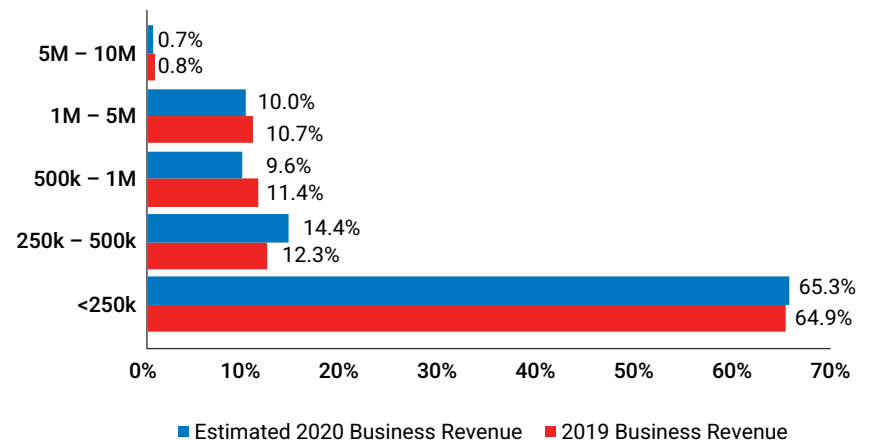


FIGURE 7

Business Revenue



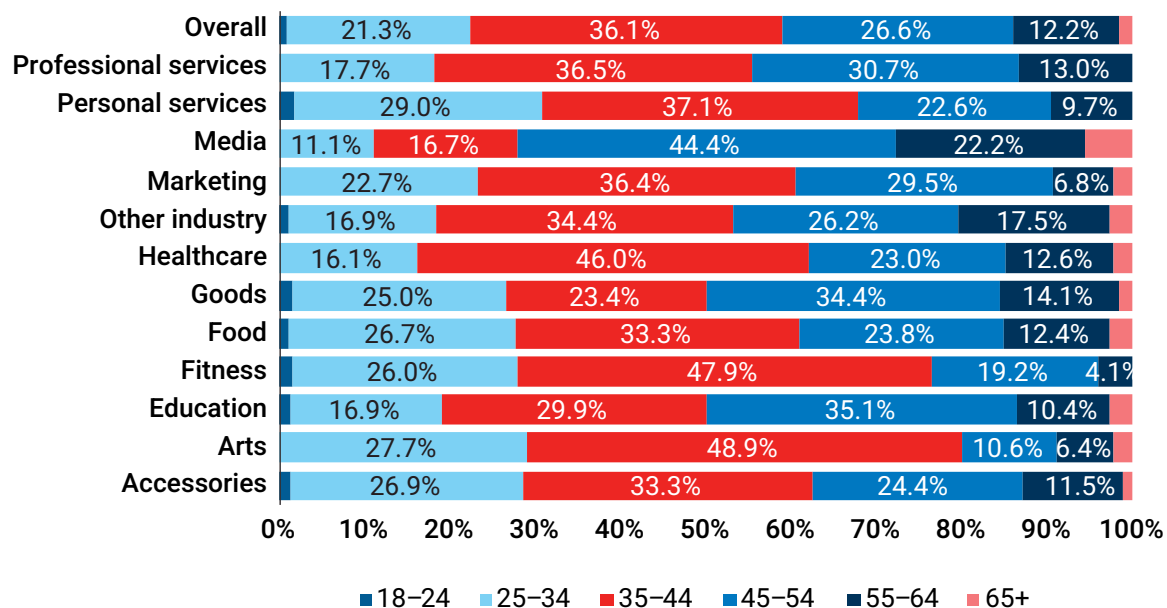
Different age groups tend to be concentrated in different industries. Those running accessories, arts, fitness, and personal services businesses tend to be younger. Marketing and professional services business owners tend towards the middle age groups. Media business owners tend to the older, with less than 30% being under 45 years old (see Figure 8).

About the Impacts of the Pandemic

In the survey, applicants were asked to describe the impact(s) of the pandemic on their business and how they would allocate the grant if they were selected as a recipient. This was done through five questions. The responses of the applicants were uploaded into Leximancer, which uses statistically based algorithms to automatically analyze text data and display results visually in the form of concept maps based on word frequency. Additionally, manual coding and content analysis was performed to contextualize the responses and gain a more granular understanding. This section presents the results that emerged from the analysis of applicants' responses organized by themes. The COVID-19 pandemic has significantly impacted

FIGURE 8

Industry vs. Age Group



businesses over the last few months, disproportionately affecting women entrepreneurs, and applicants were asked to explain the main hardship(s) that they have faced as a result of the pandemic.

Women entrepreneurs have experienced a uniquely heavy and multidimensional burden throughout the pandemic in different micro, meso, and macro levels. Indeed, they have taken on numerous responsibilities and heightened stress in

multiple aspects of their lives, including as employers, business owners, providers of goods and services, heads of households, parents, spouses, and members of the community. The section below presents and explains the major themes summarizing the challenges experienced by women entrepreneurs as a direct result of the COVID-19 pandemic.

Theme 1: Mental and Physical Health

Women entrepreneurs explained the different personal or societal expectation-based struggles they have faced. Many women wrote about the pandemic's effect on their personal lives. These women fulfill multiple roles for the people close to them (e.g., parent, friend, partner, spouse, etc.), and they often commented on the difficulty of balancing these roles, especially as these women took on the bulk of childcare duties after schools and daycares closed. One woman entrepreneur wrote about her experience:

"I worked every day 10-12 hours per day wearing all the hats of this business. I did not spend enough time helping my son with his educational requirements, my house wasn't clean, and I didn't get out of workout clothes for months. Guilt and feeling not enough as a small business owner, mother, wife, daughter and friend."

The threat of exposure to the COVID-19 virus always loomed over the women entrepreneurs. For example, one woman elaborated on her experience in her response by saying:

"My husband was considered an essential worker and started working 6 days a week as soon as covid [sic] hit... The stress of not knowing what was happening with the store as well as worrying about my husband becoming exposed to the virus..."

Women entrepreneurs strongly felt the necessity of providing emotional support for members of their communities during the pandemic. For example, one respondent wrote about her role in the community:

"Indigenous businesses often are not only businesses, we are also advocates, activists, educators, community builders and knowledge keepers. For myself, I fill my cup by interacting with community and the public, teaching, practicing and being out on the land, all of which have been challenging or impossible this year."

The huge emotional burden faced by women is globally highly present in the responses received from the applicants. Losing loved ones, worrying about possible contagion, being unable to visit family and friends, being unable to network, being socially isolated, experiencing a lot of stress and uncertainty around the future of their business, managing multiple roles in business and personal life, needing extra leadership skills to manage the employees and the business, and making personal sacrifices for the survival of the business are all among the most-cited emotional and personal issues that women entrepreneurs have struggled with.

The following responses further highlight those struggles:

"I am actively involved in our industry, so I've made sure that I've focused on understanding the government subsidies, so that I can help not only my clients, but those industry professionals who don't have the time themselves as they may not have a team. That's taken a toll physically, mentally and professionally, because I've been doing a lot of that without getting paid, which leaves no time for my regular work either. I'm spending a lot more time doing things that is out of scope that normally would be chargeable. That's my give back, because we all need to pull together during this time."

"I think the biggest challenge for me though was being a business owner and having two children at home doing online schooling. It has been both mentally and physically draining, leaving me feeling as though there aren't enough hours in a day. Trying to balance my work and home life became a whole new challenge."

"I have not taken a salary since February of 2020, and have been working an average of 10-12 hours per day, 7 days a week. This has been a significant challenge both personally and professionally and has affected my mental and physical health."

"On a personal level going through situations that increased the stress I faced coupled with professionally dealing with the possibility of the unknown and possibility of ever reopening again had an impact mentally, emotionally and physically on myself and my staff."

"The hardships I have endured is having to work extra hours due to financial reasons this has been emotionally draining."

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Theme 2: Revenue Loss and Bankruptcy

Undoubtedly, loss of revenue and the resulting financial challenges represent the most dramatic impacts of the COVID-19 pandemic faced by women entrepreneurs. Respondents were unequivocal about it, as shown in the following comments:

"March was a scary month for us because we had to put quite a few of our clients on hold because they had to come to a complete shut down. And March was projected to be our best month."

"We closed March 16th and had no revenue with a fully stocked store with April May June being our strongest revenue months."

We quickly opened [an] on line [sic] Shopify store. We personally delivered locally."

"March to July are the months where I make the majority of my annual income as it's considered 'busy season' in the sunless tanning industry. Now that I am able to operate once again, sales are very slow as many people were laid off and money is tight."

"35% loss of revenue- Myself and our trainers not traveling to host live classroom training affects our income. Down to 1 monthly event from 4-5, plus attendance is down."

"[My company's] revenue plummeted 87% between February and March, which amounts to 65% of fair wages for 13 Jordan-based staff members over 6 months. Jordan closed its borders and instituted a country-wide long-term lockdown, causing massive job loss among a refugee population relying on limited income opportunities outside of the camps."

"As a business owner, the loss of income is always difficult to navigate. Although we have had to weather prior storms in the form of recessions, this is different in that the level of uncertainty around how the industry will be affected for the foreseeable future comes into play."

Theme 3: Strategic Decisions

COVID-19 has triggered many changes in different levels of society, and businesses have suffered from many of those changes. Therefore, many business owners and managers had to reconsider some of their business strategies and adapt quickly. Their actions included changing their business models and pivoting their business in various ways, including moving online. Indeed, when women entrepreneurs had the capacity

and when it was appropriate, they often pivoted by creating an online presence for their business. Others were unable to do so and had to come up with other methods of pivoting. One entrepreneur pivoted through financial planning and managing expectations, reflecting on *"what kind of sales could we really expect? The conversation had quickly changed from 'How to we grow and improve upon our business?' to 'How can we minimize our exposure?'"*

Other entrepreneurs saved on their costs by working harder and personally taking on more business processes, like this entrepreneur running a food business: *"From sourcing ingredients, to production, packaging, sales, customer service, marketing/ promotion, shipments, forecasting/planning, scaling and distribution, I have had to manage every element of the business on my own."* Others had to find additional work to fund their business: *"I have been forced to take drastic steps to continue operating. I took on a second job (part time) to ensure the business survives."* During these trying times, women entrepreneurs talked about the resilience and grit that they developed through their entrepreneurial journey. While not a technical solution, their toughness and resilience was something that they relied on to stay afloat. This entrepreneur encapsulated that feeling well when she wrote, *"That's my drive and despite the pandemic, female entrepreneurs don't give up easy on anything. I am that small business, female entrepreneur. Pure grit."* Finally, others took the pandemic as an opportunity to take a step back and work on themselves. One woman entrepreneur decided to go back to school:

"Throughout my long-term career in the employee benefits industry, there was never a time where I received a structured business education. As we pivot into unknown times post Covid-19 [sic], as an entrepreneur, I see an urgent need to focus on structured business practices, leadership growth, digital transformation opportunities, competitive national and international strategic planning and expansion of my network. As a result, I was recently accepted to [an executive MBA program], which starts in February 2021."

Theme 4: Workplace Safety

Respondents noted the stress of workplace adjustments required to meet COVID-19 safety measures, including the reorganization of office space, purchasing PPE for staff, and employing workplace or in-store changes for the safety of customers and clients. This stress was particularly heightened for those in the healthcare sector or those offering direct-to-customer services (such as hair salons, aestheticians, etc.):

"All of us were at risk of getting Covid [sic]. I had to have safety procedures followed without creating panic. I also had to ensure the safety of my customers and instill confidence that we were here for them and would not let them down."

"I made the decision to keep my business open, as per Nova Scotia's Department of Health directive of permitting Take Out [sic] services only. However, I was scared to sell and was consumed with concern for everyone's safety. Overnight we pivoted to a new take out business model. We kept a small crew of about 15 dedicated employees and unfortunately laid off the majority of our 66 employees. We blurred job functions, multitasked, and worked hard figuring out how to get the job done well under our new business model while following Health; Safety [sic] guidelines."

"Personally, it was very overwhelming to start integrating the safety measures and plans imposed by the Ontario government due to the new norm that Covid -19 present us [sic]. Getting the necessary PPE was challenging during the lockdown due to low supply of these equipment [sic]. It was very hard to take in orders because I had to make sure I had all of the necessary material and the work space for making my catering order. With decreased [sic] volume of work done and reduction in revenue, it has been really hard to pay and keep my subcontracted employees. Putting in mind that the new adjustments and expenses have negatively decline [sic] my revenue."

"Now that we are offering in-studio classes again, our expenses have continued to increase in order to purchase hand sanitizer/ cleaning products etc in order to comply with covid-19 [sic] safety guidelines. To say that I am exhausted is an understatement. Unlike most people who have been 'off work', am working day and night because, I am stressed of losing everything I have worked so hard for."

Theme 5: Online Presence

For some businesses, the pandemic allowed them more time to adapt to online commerce, but for others, moving online was not an option because of the nature of the services provided (e.g., massages). The responses below clarify how business owners could/could not benefit from online platforms:

"We began using an online platform for interactive Yoga [sic] classes with our contracted instructors a few times a week. We offered a discounted price for these online classes."

"The pandemic allowed us time to refine our online training offerings, and finalize course review by [an organization] for national accreditation of over 65 courses. While the pandemic

halted all in-person training of some courses such as Standard First Aid, it made available skills training for Northerners and indigenous [sic] communities through online training."

"A lot more time was spent on social media and our web store. We started offering free shipping and full refunds within 14 days allowing customers to buy online with confidence."

"The biggest impact the pandemic has had on us is inspiring us to look at opportunities to offer our expertise online. To that end, we are now focusing more time on developing online resources to share with clients and emerging evaluators."

"Our customers used to their beauty treatments, massotherapy and Pilates sessions in person. We didn't offer any online service at that time."

"We also moved to online Zoom classes to still offer some normalcy to students. Again not many families appreciated this format and they did not participate and withdrew their children and refused to pay for any more classes."

Theme 6: Employee Issues

Laying off their employees was a big challenge for most business owners (this also relates to the emotional impacts discussed above). Many of them had to lay off their employees for various reasons, including financial problems, fear of the virus, business closure, etc.:

"While our doors were closed from March 13th to June 20th, we had to lay off 8 full-time employees."

"I lost an employee out of fear of the virus. I found it extremely difficult to micromanage everyone of my teammates fears while we were closed and now that we are open. I also found balance extremely difficult."



"I had to make the difficult decision to lay off my employees and needed to close my store to the public."

"Uncertainty brought on anxiety and frustration. It bothered me tremendously when I had to let employees go. My income decreased drastically while my monthly bills were increasing."

Some businesses did not lay their staff off but reduced their salary or their working hours:

"We've had to cut the hours of our staff as well as I've not taken a salary since March."

As the owner of the business, women entrepreneurs also felt responsible for the physical and emotional well-being of their employees:

"The hardest part was keeping the team and clients motivated, moving forward and hopeful. As a leader who has other people relying on me, I felt I needed to be calm in the unknown for my team and my clients regardless of how I was feeling."

"In a time where my team really needs a leader, I find myself drained, lacking motivation, stressing about money and leaning heavily on my family as the monetary responsibility of both the business and the team catches up with me. But I shall persist. I have no choice but to."

Another challenge was managing the businesses while employees were working from home:

"On a staffing front, we sent many of our staff to work from home, and managing that has been incredibly difficult. Staff have been increasingly dealing with mental health issues around COVID19 [sic] anxiety, the changes in the way we work together and with our clients, and the loneliness of working

from home. Multiple staff have found these issues have aggravated their existing mental health issues, and several have taken medical leaves. This is stressful of course for the staff who go on leave, but also for the remaining staff who must cover for them, and for us in terms of planning. Will they come back? When? Will we be able to serve our clients if we lose too many staff members to mental health issues? How can we help address these issues before they become problems?"

"As most of our team is working from home, it has been challenging to manage them from a distance to ensure that they stay productive."

"Switching to remote work from home for our management and office staff was effortless."

"Working remotely: Prior to COVID-19, most of our staff already worked from home 2-3 days each week. Completely working from home obliterated the opportunity to connect informally."

"My landlord has not applied for the rent subsidy, so I am still having to pay full rent for a unit that is barely used now, as the majority of my staff are currently working from home."

"Demand for webcams and headsets was at an all-time high due to the new work from home reality the world was facing; We sent staff home with existing equipment we had in our call centres."

"Reorganization of the work routine, implementation of a mitigation plan, increase [sic] in the surveillance on the construction site are some of the measures that we put in place. We also had to organize home base [sic] offices for the administrative staff."

Theme 7: Collaborations

On a positive note, many women business owners noted a collaborative effort with other local businesses to help each other stay afloat. Some partnered together on specific initiatives and others tried to support other each other in their community. Additionally, at times, the business owner's efforts were reciprocated by community members. A woman entrepreneur recounted her experience:

"But something beautiful came out of that terrifying experience. My clients communicated with each other, unbeknownst to me, and decided to support me during lockdown despite the government mandate. And that's when I started receiving groceries at my front door, pictures from their children illustrating their love and support, gift cards to local gas stations, and free Netflix subscription for one year. Each and every week, for the 3.5 months that [my company] was closed, my clients sent their support to ensure there would be a daycare to come back to after the pandemic. Not only did their kindness help me through the pandemic, but it was also the reminder I needed to continue operating my small business despite the risks. This pandemic showed me how valuable my work truly [is]."

Conversely, some of the women entrepreneurs went above and beyond to support their stakeholders. One woman who worked with small producers from the Dominican Republic ended up supporting "3 families from March until June, as the country was in lockdown and they couldn't get work." She wrote, "the people that make our products don't have any social safety nets and, as it is our value to be able to partner with them, I couldn't turn my back on them when they needed us most." Another women entrepreneur mentioned:

"In order to keep sales coming in, I conducted cold calls and reached out to surrounding businesses to ask them to carry my product in their store or on their menus. I also contacted customers who were on my client list and engaged them by offering discounts and specials. I was able to deliver my product to customers and started looking into ways to diversify my sales through collaborations with personal chefs through social media."


Theme 8: Government Support

The Government of Canada has provided some support programs for businesses, but many women-owned businesses were not eligible for it. Women entrepreneurs explained some of the reasons why they couldn't access government support programs:

"When my business was forced to close, I had already left my full-time job. I immediately investigated options to obtain support from the government. As a new business, with no payroll and no history of expenses, I was informed that I was ineligible for anything."

"To add to the stress, my business did not qualify for government assistance, which forced me to lay off a few employees to help keep our balance sheet afloat."

"Our Canadian Government answered the call for so many individuals and businesses across this country. Unfortunately though, as we are registered as a Partnership [sic], we were ineligible for the programs and grants offered."



"Although government-backed loans are helpful, it requires us as small business to take out at least 50% of the loan in the first six months and if it's not managed properly, it will do more harm than good for a small business."

"The government gave everyone false illusions that they were 'helping' small businesses. But apart from low interest loans, I did not get any handouts. [...] I am not satisfied with how the government 'helped' small businesses. The rent relief did not help me at all. My landlord just said no. He didn't want to apply for it. And the payroll subsidy didn't help either as I laid everyone off."

"[My company] fell through the cracks for government-sponsored COVID [sic] funding. My team are exclusively sub-contractors, making [our company] ineligible for the 75% wage subsidy and initially, CEBA loan support."

"Because we haven't yet set up our CRA Payroll Account, we only qualified for CEBA once the Government announce [sic] the 3.0 version on May 18. We submitted our application on June 28, and we still have not received a response."

"The biggest [challenge] for me is the lack of government support. I did not qualify for anything. With all my cancellations (venues, flights, students) its [sic] been hard to navigate and stay positive."

"We were not able to participate in government wage support or loan programs related to COVID [sic] because the eligibility criteria were too restrictive."

Another challenge that some entrepreneurs faced was paying rent, because some landlords refused to apply for rent-relief programs:

"I had to continue paying rent for my space, my previous landlord died and his spouse refused to apply for the support provided by the government."

"My business is based in a rented studio and the stress of having to pay rent while not having any income was extremely difficult emotionally as well as financially as I went into my savings in order to continue paying rent and keeping in good standing with my landlord. In my case, our landlord did not opt to avail themselves of the government's rent relief program as was their right."

Some women entrepreneurs benefitted from government support programs but mentioned some problems with these support programs as well:

"I accessed a government loan to get through but it means that the company has taken on debt. Having just gotten to a point of almost break even [sic] with no debt and company capital [sic] assets building, I am now back to carrying debt."

"Although government-backed loans are helpful, it requires us as small business to take out at least 50% of the loan in the first six months and if it's not managed properly, it will do more harm than good for a small business."

Theme 9: Uncertainty

Many women entrepreneurs mentioned feeling challenged because of the increasing uncertainty that they feel about their businesses and about the future:

"The pandemic has generated stress about the future of my business and created financial strain. At the beginning of the pandemic, I was forced to restrict operations and my suppliers closed for months preventing me from obtaining the materials needed to work. Added to this, was the strain of uncertainty that work would return to normal volumes after business resumed regular operations. Being that my main business focus is luxury vehicles, my services may be outside of my customers' budgets in this new economy."

"We had a significant slowdown as our clients sorted out the impact of the pandemic on them. Although a few of our clients needed help ramping up their online services, most went into a holding pattern and any new opportunities that had been pending were put on hold. Overall we had a significant drop in revenue and a great sense of uncertainty."

"It has made things difficult and uncertain to predict how and when things will operate again. I have been unable to plan our inventory production with them. Personally, it has taken an emotional toll on me with all the uncertainty."

"The uncertainty about clients' ability to pay for our services has also put significant pressure on the business and team."

"My struggles were by no means unique. Uncertainty (everything was so incredibly chaotic.... uncertainty while needing to communicate with the team, the clients, prospects) Home schooling 3 children (something I don't ever want to do again frankly) Loss of personal revenue (didn't draw a salary for the last 4 months) while still servicing the existing customers, communicating with the team and ensuring everyone was taken care of."

"The hardest thing that I have endured during these past months is not knowing and the feeling of not having any control on the future or events. Not knowing what is going to happen. Not knowing if my family is going to stay healthy. Not knowing if I will stay healthy. Not knowing where my revenues will come from and how to reinvent the future. Now, I still don't know but what I do know is that I need to help kids that are living in difficult situations and that deserve a chance to be able to have access to clean clothing [sic] and be able to concentrate on school."



Theme 10: Innovative Approaches

Apart from all the negative impacts of COVID-19 on their businesses, some women entrepreneurs were able to benefit from this period in various ways. For example, many mentioned that they used the opportunity to take courses and improve their skills. The following sample of responses highlights some of the positive outcomes that came out of this unfortunate situation:

"During the months off due to COVID [sic], I spent much time learning different virtual platforms. We test ran a lot of programs with different scenarios. A lot of time was spent on research, training and experimenting before we found the right platform."

"I took the opportunity to enroll in a masterclass through [a university business school] where my skills as an entrepreneur were greatly amplified by their mindset training! It was through this course that I was able to clarify my vision to become a tech-focused industry leader and advance my new online platform from a simple idea to a legitimate tech startup working to increase the valuation and start seeking investors!"

"From [my company's] perspective, I, too, worked on networking and reaching out to prospective clients and offering suggestions on how I could help them with my services. I took many online courses and upgraded my skills to create a stronger and more cohesive business."

About Their Plans and Priorities

Applicants were asked to explain how they would allocate the \$10,000 grant if they were selected. The responses emphasize the importance of microfinancing in developing women entrepreneurs, a trend that has caught the attention of researchers and practitioners in recent years. Respondents mentioned various goals they would allocate the grant towards, and their responses are aggregated under five themes.

Theme 1: Improving Sales, Products, and/or Services

Many applicants mentioned that they would allocate the funds to grow their businesses by putting the money towards marketing, improving customer satisfaction, expanding their businesses, developing new products, or purchasing inventory for marketing and product development:

"Marketing Campaign: I'd like to use funds for graphic design to bring life to the educational facts and knowledge on wellness design (instant at home tips and expert advice). A weekly podcast interviewing areas of wellness and design to discuss the impacts they have on our mental health. Marketing merchandise: I'd like to sponsor active lifestyles like cycling, running and skiing. To begin I'd like to have cycling jerseys printed with logos of local realtor, contractor, interior designer [company name] and a naturopathic doctor. This is another marketing campaign to network with experts in different but relatable industries to promote wellness design."

"We would allocate the money to advertising and sponsorship of golf related events. We have a couple of 'all female' golf charity tournaments that we could help sponsor. (One for Breast Cancer [sic] and the other for [a charitable organization].)"

"I plan to allocate the funds towards our marketing efforts. We have very happy customers, wonderful testimonials and a wait list of facilitators wanting to be trained. The \$10,000 would go towards photoshoots, videography, and a marketing budget to promote our new offerings, bringing in advisors and our existing community to help in the launch and promotion."

"We are currently making updates to our website to enable more effective purchasing and to speak more clearly to the challenges our client's are facing. This in addition [sic] to staffing costs is where this grant, if awarded to us, could make a significant impact. With all that has happened, our marketing budget has been almost completely eliminated. I am working on our 2020-2021 fiscal year marketing plan and have been creative with opportunities to promote our products and services with as little cost as possible."

"The money will be used to further our business. It will help use refill our shelves with current and new product. The money will be used to help pay bills (rent, hydro, etc.) and as well help us fund to do a new photoshoot to update our website and overall look of the brand. And help us to start to figure out a way for individuals to figure out their foundation colour on our website so working with a developer and a marketer and figuring out the best way to do so."

"The funds would be used for product development. To help develop [my company's new] healthy food products. To do this we need to create the new product, develop the packaging, source the raw materials, line up the production, create the marketing campaign and sell the product to distributors, into stores and online channels. Developing a new product creates many different jobs."

"The funds will be used for product development, and stock replenishment. As well as creating new accessible tools for future projects."

"We would use these funds to purchase inventory and develop new marketing materials for our launch, supporting the local creative economy."

"We would apply the grant to expanding into other regions outside of Toronto. The grant would greatly help with our marketing so that we can get our name out into other regions that could possibly lead to an increase in clientele."

"We would like to look at new business streams. Currently we are looking at UVC lighting products and a business opportunity. This money could be used to buy and install some units and continue to research the business opportunity. The other areas of interest in for [sic] [an] expansion of our recoveries division or property management. The interest is to expand business the exact business is not decided."

"The funds would be used towards inventory, especially for shipping. All of the equipment in my bakery was purchased second hand so they can stop working at anytime. The grant would be of huge help to purchase new equipment. It would help with our marketing, such as boosting social media ads, adding merchandise for sale and printed material (business cards, brochures, post cards)."

Theme 2: Investing in Human Resources and Human Capital

Applicants also reported that the funds will be used for hiring new talent, providing training or educational opportunities to current and new employees, and funding payroll. Many women entrepreneurs recognized the value in rehiring previous employees or hiring new employees as a crucial step to their expanding business or developing new products. Meanwhile, training and education are not only valuable for improving professional skills, knowledge, or credentials, but are also considered relevant to maintaining the mental health of employees:

"In line with the response above, we plan to allocate grant funds to: Rehiring; Purchase [sic] tools and resources to train and educate our team."

"Funds would greatly help us rehire and retain our amazing admin that are a key enabler to ensure our patients receive the care they deserve."

"This grant will allow me to hire a full-time Project Manager, so I can focus my efforts on taking our services wider."

"Hire a marketing planner and advertising strategist_ \$5,000. Hire a professional designer to create an HTML interactive magazine platform that enables clicking and links to advertiser information in the magazines; and to create an interactive magazine content platform that allows for clickable thumbnails and table of contents _ \$5,000."

"The funds will pay for two month [sic] of the new hire (Director of HX Analytics) who will focus on building deeper relationships with our current customers and attracting new clients."

"It will be used to help cover the cost of training and finding multiple new team members."

"We plan to allocate the funds to legal fees, writer fees, and hopefully compensate ourselves minimally to make up for some lost income during this time."

"Funds would be allocated to payroll."

"I plan to use the funds to pay for my Certified Commercial Investment Member (CCIM) designation."

"I would use the grant funds to update our educational offerings and hire a part-time CPA employee to assist with client work."

"We would be using the funds to education [sic] in the firm. We would like to provide more solutions to our clients, such as collections, payroll for all provinces, different accounting software's and more options for Apps. In order to do this effectively we need to be trained internally to help clients make the best decisions. I would like to have all by bookkeepers be certified by the CPB (Certified Professional Bookkeepers Association)."

"I plan to use some of the funds for providing further education to my team. This may include training to enhance their clinical skills and access to professionals to help with emotional well being. COVID-19 put a lot of stress on individuals and families and our team is no exception. I want to ensure that they have access to the resources and services to allow them to remain strong and healthy for their loved ones and the families they serve every day."

"The funds will be used towards developing a Meditation Room and sessions to help people cope with stress."

Theme 3: Improving Operational Efficiency

Another theme emerging from applicants' responses to this question is a desire to use the funds to improve business operational efficiency by investing in business infrastructure, paying debt, and purchasing services from external agencies. The investment in infrastructure is not only linked to operational efficiency, but also considered contributive to product development, marketing, and client satisfaction:

"I will pay back money I had to borrow from the bank and family, then I will use it to help improve my office for the next season of covid-19 [sic]. With the unknown of what flu season will bring with covid19 [sic] I will need to be prepared. I will have to purchase specialty covers for the massage tables and extra sheets etc. Not to mention anything left over for in case we have another closure to cover some of the cost. Having a nest egg set aside is always important for a small business owner now more than ever."

"This grant would give me an opportunity to purchase more equipment for my studio, allow me invest in my photography and my marketing to further my reach to new clients."

"If give [sic] the funds, I would put \$7000 dollars of the funds toward the office renovations required to make a COVID [sic] safe office for both my clients and new staff."

"35% equipment non dairy products. 40% new products offerings 25% will allow me to build a wheelchair ramp to allow seniors and disabled clients to shop local instead of having to find transportation to the next community."

"We would invest the funds from this grant into the infrastructure needed to create customer-centric storefronts in both cafes, from which guests could select baking supplies, cookie dough and other items for them to take home and enjoy."

"I plan to pay off debts and loans that were taken during the lockdown."

"We would most likely pay off some of the debt we have incurred through this time and pay for advertising to being taking on new clients again. A little bonus for the ladies would be nice too."

"This funding would be used to pay our independent contractor, tech developer for her work on front and back end software development as she creates a market ready website. This funding would pay for the time and resources that our web designer is allocating to creating this software. I want to ensure our developer is properly paid for her time and energy, she is a female immigrant to Canada who has recently graduated as well and this funding would support not only my company but job creation by directly paying for the development."

"\$5000: Paying for external professional advisors and consultants to research the feasibility of our proposed financing model \$2000: Legal fees to develop and incorporate the new business structure to facilitate this financing model \$3000: Piloting a Minimum Viable Product including marketing and other startup costs."

Theme 4: Giving Back to the Community

Some applicants stated that the funds would be utilized in certain ways that contribute to the community. In other words, in addition to the business aspect, they are also interested in the social impacts of their operation and practice:

"With the funds from the grant, we would like to give back to the community. Offering pro bono work to those in need. We have begun pro bono work with a Youth at Risk Group and hope to continue with others in need in the community."

"Funds will be used to help with growing the clinics and giving back to the community."

"We do a lot of community contributions to fundraiser charities in the area. This will allow me to donate to more charities, once we are at pre coronavirus revenue."

"I would love to advertise on social media and in the newspaper where [we] have a week where we give back to the community. For every meal purchased we would give a discount to our customer as well as give back \$5 to our local food bank which has been hurting for donations. We just don't have the extra money right now to give back as we enjoy doing. We know that our community wants to support us and we do so even more if they know they are helping to give back. I would also like to allocate some funds into our website so improve our online ordering as we believe this will be used more now, than ever before."

"Part of the grant will also be available to women in our community who have lost their jobs and can't afford to pay for a studio membership. BMO's grant will fund 5 women's [studio] unlimited memberships for 3 months."

Theme 5: Compensation

A few applicants reported that they would use the funds to express appreciation to their employees for their hard work, as well as to their families who were supportive during the pandemic:

"The funds will be used to compensate staff members for the outstanding work that they have provided since the pandemic broke out, as well as cover some of the significant increased expenses due to PPE purchases."

"I also want to give my staff each a bonus for their dedication and hard work."

"I would give a portion to my each [sic] member of my team who have been there through this pandemic for me and during this current time of rebuild. I would pay off the company credit card and purchase all new resources; [our] leashes and harness are literally falling apart and we need new walking tools and I would do a reprint of new marketing materials so we can go and put ourselves back into market on a greater scale."

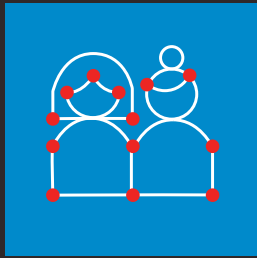
"\$5500 will supplement revenue to support 2 months of wages for our majority-female [company] team of 13 members, all of whom are now the sole providers for their families. \$4500 will support 2 months of wages for our executive team of two women living between Canada and the United States, including one member who is the sole provider for her family at this time."

"I would like to allocate portion of this fund to a family trip with my sons. We were never able to afford a nice family vacation, in a cottage somewhere north of Ontario or Québec would be perfect for us! Office make-over would be wonderful, I could definitely use a new desk, chair and new cabinets. I would like to also pay off my line of credit caused by going to university part-time."

"The funds will be used to compensate staff members for the outstanding work that they have provided since the pandemic broke out, as well as cover some of the significant increased expenses due to PPE purchases."





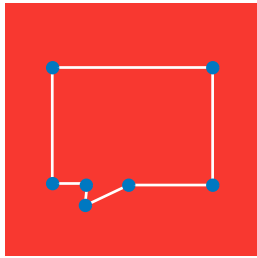


Conclusion

The data analysis from the BMO Celebrating Women Grant Program applications paints a clear picture of women struggling to keep their businesses afloat. The government should investigate avenues to relieve the pressure faced by SMEs, help with businesses' transition to the digital space, and support the development of new platforms for networking. Indeed, many businesses survived only through their ability to quickly adapt to ecommerce, harness the power of social media to promote their products and services, and expand their delivery capacity. At the same time, entrepreneurs had to juggle their personal life and their own well-being in unprecedented times.

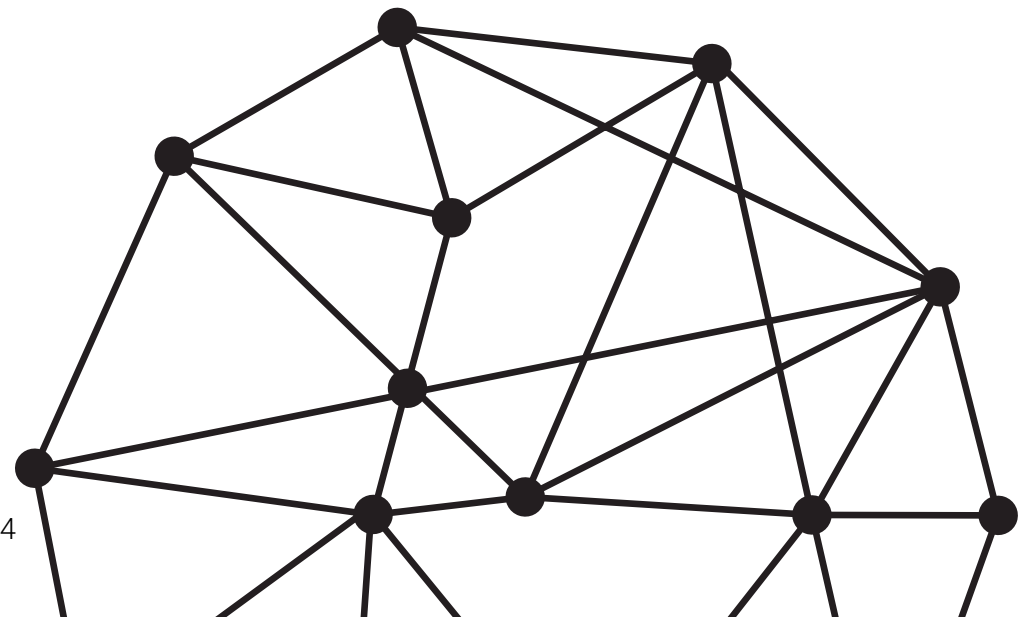
Recent research has found that women, immigrant, and racialized businessowners have faced significantly more setbacks during the pandemic than other businessowners (Mo et al., 2020). Women entrepreneurs (along with other diverse entrepreneurs) reported significant revenue losses (20% or higher) as a result of the pandemic at a higher rate than the national average (Mo et al., 2020). This reality was echoed by the participants in this study, who reported significant lost sales and revenues. Accessing supports during the pandemic has been particularly challenging: nearly 50% of women entrepreneurs in Quebec report difficulties in seeking financing to ensure the survival of their businesses during the pandemic (Saba & Cachat-Rosset, 2020). One reason for the significant differential impact of COVID-19 on women entrepreneurs is that women entrepreneurs often own smaller businesses than men, making

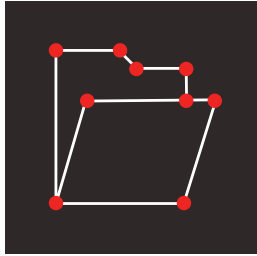
them more vulnerable to the economic effects of the pandemic (Statistics Canada, 2020). It comes as no surprise that the majority of applicants to the BMO Celebrating Women Grant Program employ fewer than 10 employees (85.4%), and nearly all the businesses (99.7%) are managed solely by the applicant. Being overrepresented in the service sector also plays a part in the differential impact of COVID-19 on women entrepreneurs. This report reinforces a number of themes that have emerged in recent research and underscores the need to recognize systemic barriers faced by women entrepreneurs and realize that a "one-size-fits-all" solution for businesses to survive the pandemic will simply not work. However, the stories of how many women entrepreneurs have overcome the challenges they face to ensure that their businesses survive and thrive are as diverse as the entrepreneurs and their businesses and equally as inspiring.



Discussion Questions

1. Given the effects that the pandemic has had on the economy, combined with the unknown of what lies ahead, what should governments, financial institutions and entrepreneurs each be considering looking ahead into 2021?
2. The COVID-19 pandemic has accelerated the adoption of digital. What do women need to take advantage of this trend? What are the barriers to “going digital”?
3. The COVID-19 pandemic caused many businesses to be blindsided. How can entrepreneurs develop risk management frameworks so that they can be ready for future crises?
4. How can information (for example, about financial relief programs for businesses, free digital toolkit workshops, etc.) be made more accessible for historically excluded groups (women entrepreneurs, racialized women entrepreneurs, entrepreneurs with disabilities, older adult entrepreneurs)?
5. What are some of the ways women entrepreneurs can support themselves to deal with the added stress and negative physical and mental health outcomes of the pandemic? What innovations have you seen as women entrepreneurs try to adapt, particularly given the crushing burden of unpaid work?
6. With the loss of the “office environment,” what are some innovative ways employees can provide teambuilding and collegiality during the pandemic, when workplaces have mostly shifted to remote work?
7. With employees working from different locations, how can entrepreneurs ensure employees can still have a voice, stay motivated, and have some autonomy?
8. What are some examples of successful collaborations during the pandemic that women entrepreneurs can build on to help keep their businesses afloat?





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