



cutting through complexity

Women Entrepreneurs:

Passion, Purpose and Perseverance

A look at the key factors that women say have propelled their business success and sustained them through the tough times

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The perspectives of survey respondents do not necessarily represent the views of KPMG LLP.

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“In today’s competitive environment where change is constant, building a successful enterprise requires a strong team, operational excellence, and the agility to innovate and shift course if needed.”
Lynne Doughtie, KPMG Chairman and CEO

What motivates women to launch their own companies? What traits do they believe are most responsible for their success? What are the challenges they encounter in building their businesses? And in what ways do they hope to improve in order to advance even further professionally?

To better understand the perspectives of successful female entrepreneurs, KPMG LLP (KPMG) asked these key questions in a recent survey of 204 women business founders and leaders from companies on the Inc. 5000 list. The enlightening responses highlight the strong advances that women have made in entrepreneurialism, an area of business long viewed as the domain of men.

While women have not yet reached parity, men tend to launch businesses at about twice the rate that women do according to recent research from the Kauffman Foundation. KPMG’s survey found that women who succeed in entrepreneurship cite the same core traits—hard work, a willingness to take risks, the ability to persevere in times of crisis, and a talent for making smart hires—that have long been credited to men for their business success.

Female entrepreneurs who embody these traits are better able to navigate the bumps in the road they will undoubtedly face. According to the KPMG survey, women entrepreneurs said the top challenges they face in building their businesses include hiring the right people, time management, managing cash flow through lean times or funding growth, and developing sales forecasts and hitting those targets.

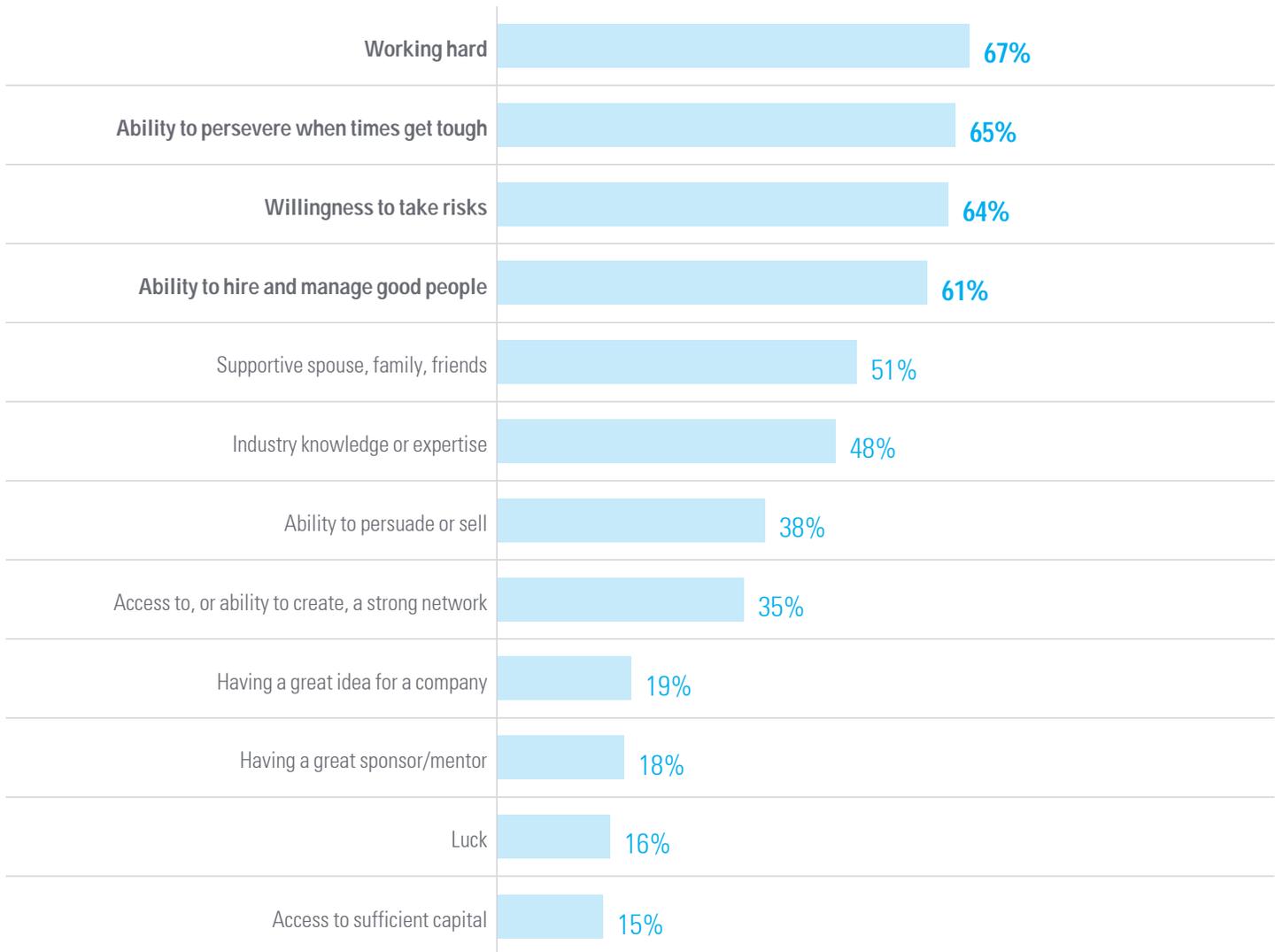
The commonality of core traits for successful male and female entrepreneurs comes as no surprise to some. Isabelle Allen, the London-based global head of sales and markets for KPMG added, “The world is rapidly changing. There is a blurring of lines between large enterprises versus start-ups, between global and local businesses, and between men’s and women’s roles. Disruption and the breaking down of barriers is the new normal.” Allen continues, “women should feel empowered by the opportunity to disrupt, but to be successful they will require certain skills to overcome the business challenges associated with growing a company.”

When the survey asked women what skills, traits, and other factors they believe have been the most important to their entrepreneurial success to date, they cited a wide range, but there was widespread agreement regarding the top four.



Success factors

Traits, talents, and other factors female business leaders say are most crucial to their business success.



Multiple responses permitted

Growing pains

Biggest challenges in building their companies sorted from most challenging to the least challenging.

- ① Hiring the right people
- ② Time management
- ③ Managing cash flow through lean times and/or to fund additional growth
- ④ Developing sales forecasts and hitting those targets
- ⑤ Creating the right technology infrastructure
- ⑥ Access to cash/credit/funding
- ⑦ Deciding whether a change of direction is needed
- ⑧ Attracting customers and building market share
- ⑨ Dealing with licensing, regulatory, and other bureaucratic requirements
- ⑩ Developing a strategy and executing it successfully

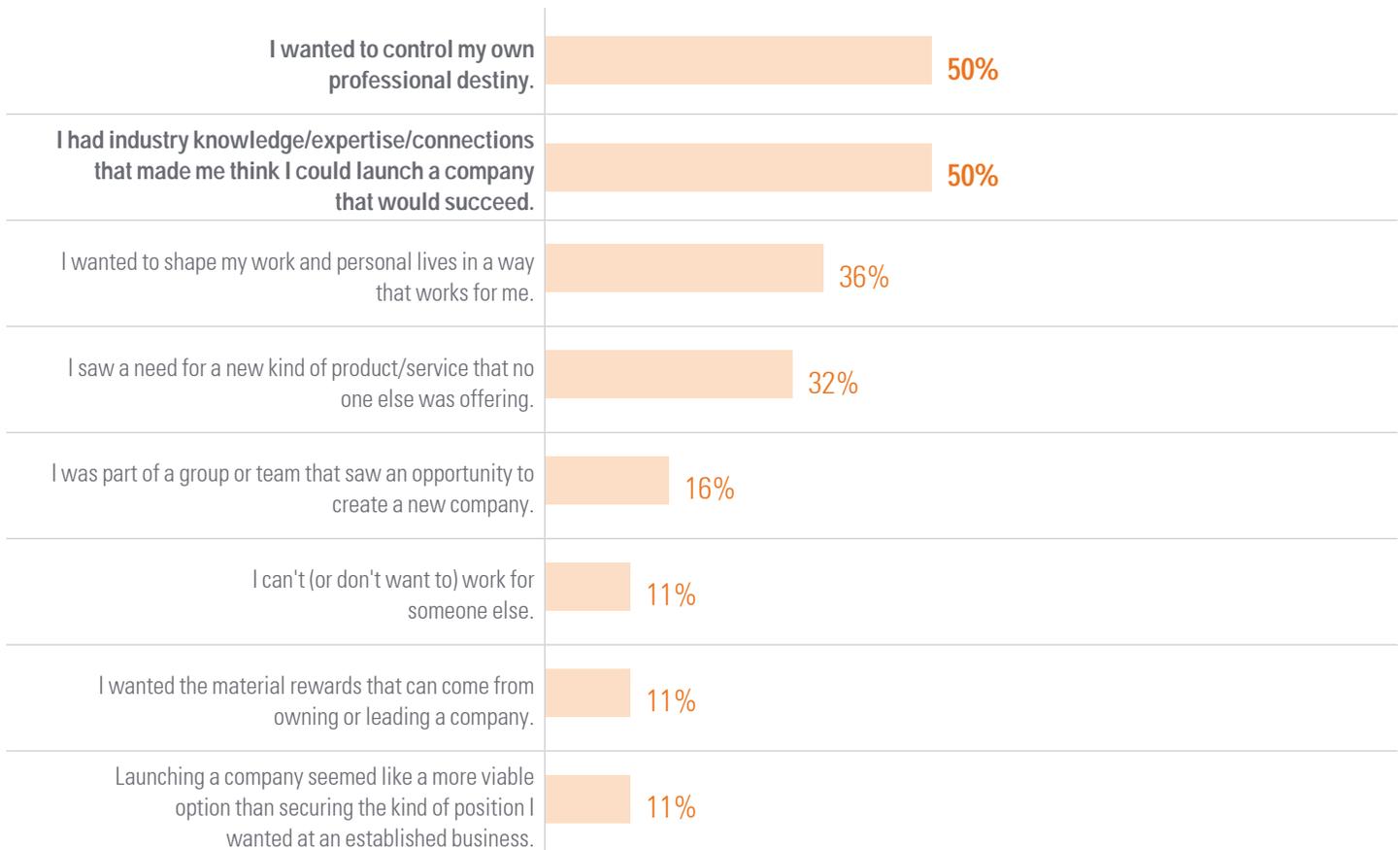
Controlling their destinies

Understanding the factors female entrepreneurs attribute to success raises a related question: Why do some women choose to apply those traits to entrepreneurial endeavors, rather than more traditional areas?

As it turns out, women are motivated to launch companies primarily by two things: a desire for control over their careers, and the opportunity to leverage their experience, talents, and fresh ideas in a new way.

What motivated you to launch (or help launch) a company?

Female entrepreneurs value control over their professional destiny and the opportunity to make an impact.

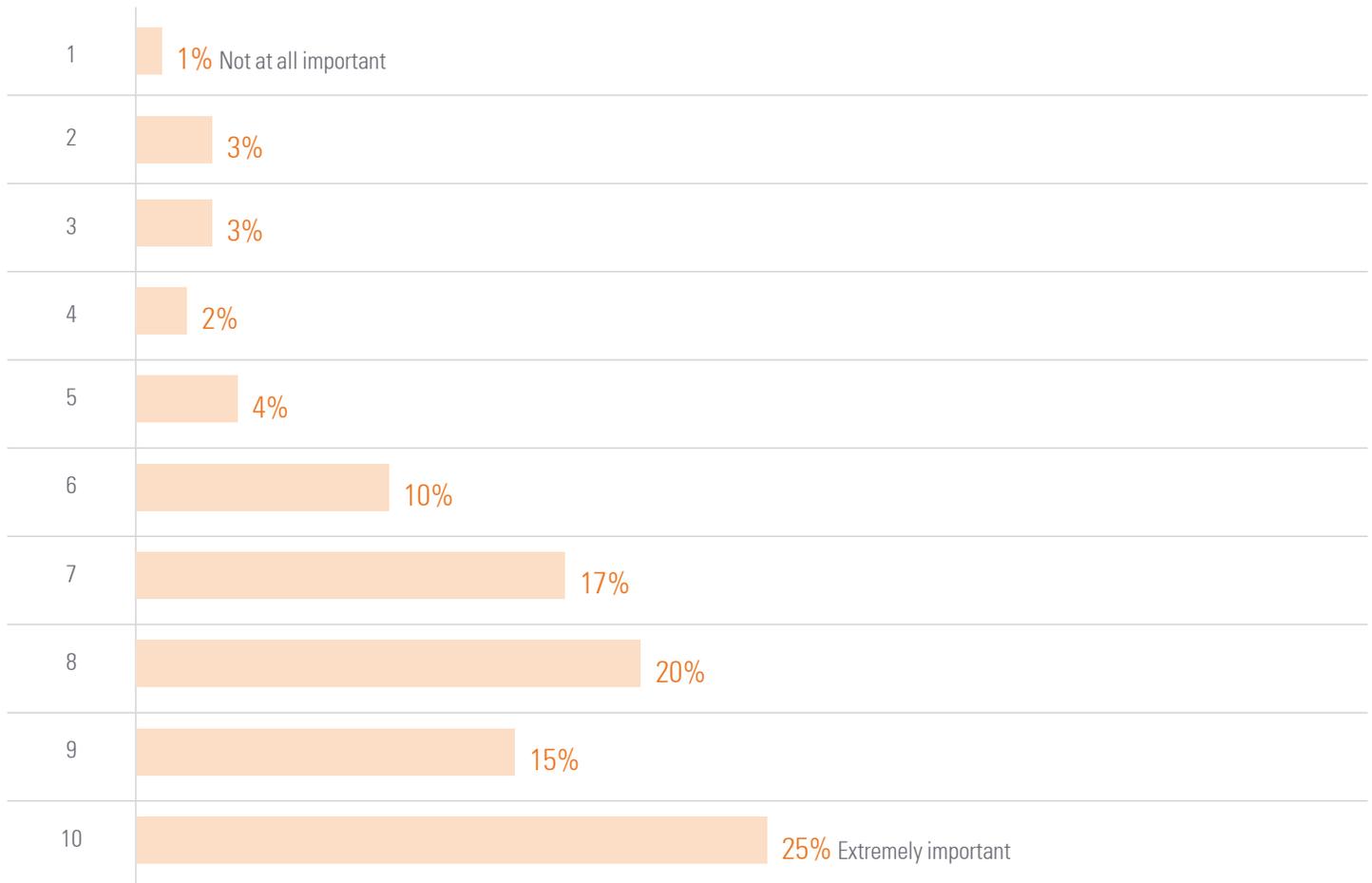


Multiple responses permitted

The same desire for control that inspired survey respondents to launch new companies also has a strong impact on another aspect of their lives: work/life balance. Indeed, this topic drew the most unanimous response of any question asked on the survey, with an overwhelming majority of women indicating that work/life balance is a top priority for them.

Work/life balance matters. A lot.

How women rank the importance of work/life balance on a 1-10 scale.



Good advice: Welcome, but sometimes hard to find

While women credit their own hard work, perseverance, and willingness to take risks as the top three factors behind their success, they are also quick to acknowledge the valuable role played by others.

“Mentors helped push me to be a leader who wanted to take on more responsibility,” says Kirsten Hall, CEO of Minnesota-based Logistics Planning Services.

When it comes to optimal mentoring arrangements, proximity appears to count for a lot. The best relationships are typically formed with mentors who are nearby and eager to help.

For Hall, one such mentor was the CEO of the company where she spent nearly 15 years, participating in a rising-leaders group that studied books, talked shop, and bonded over common challenges. Another mentor ran a satellite office, but maintained an important presence at headquarters, “I had what he needed, and he had a lot of experience I could learn from,” she says.

Even as they cited the importance of mentors, many survey respondents also noted, the relative lack of women in high-level positions—be they investors, board members, or colleagues—who can serve as role models.

“Did I wish there were women in such positions as I was working my way up? Sure, but there was nobody like that at the time” says Hall, who now makes it a point to mentor women as a way to fill what she saw as a void at the time.

The relative paucity of female role models in the past may be the primary reason why survey respondents said other women have been less important to their success than mentors/informal advisors and friends and family. On the other hand, perhaps having a great mentor with valuable insights, regardless of gender, is most important.

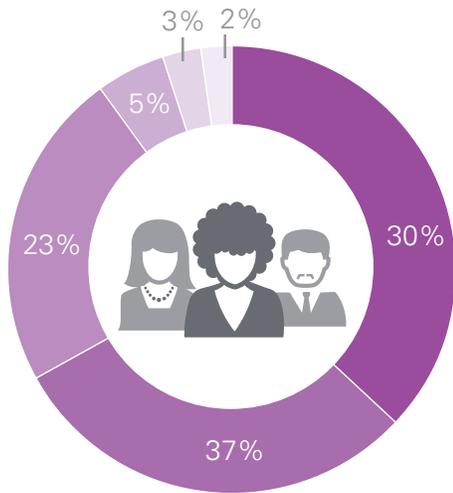
Making mentorship work

“Great entrepreneurs have great mentors,” says Brian Hughes, National Leader of KPMG’s Private Markets Group, “the key is finding the right one and fostering a successful relationship.” In working closely with entrepreneurs and growing companies over the years, Brian explains that entrepreneurs need to first consider what they hope to get out of the relationship. Entrepreneurs should define their needs and what they hope to achieve, then focus their time in the areas that will drive the most value. Additionally, when trying to maximize the relationship, Brian offers these three tips:

1. Establish a regular cadence to build a meaningful relationship.
2. Open and honest dialogue is required to identify the areas of the business that need the most help.
3. Exploring shared interests is a great way to build rapport beyond the business.

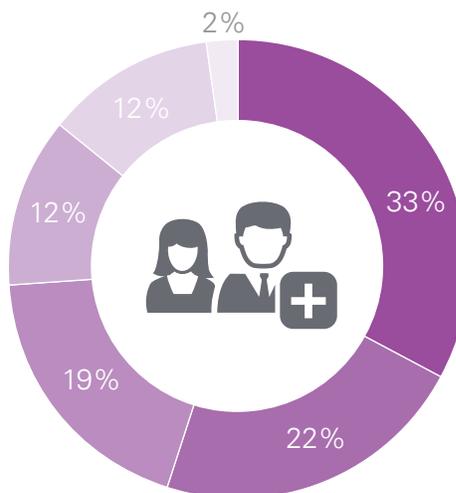
Who helps you most?

Importance of mentors, informal advisors, and others in your professional network



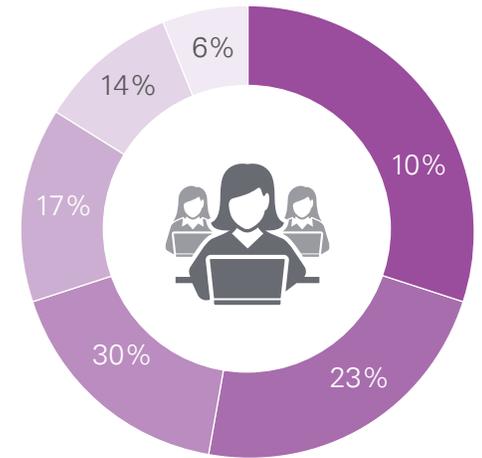
- Extremely
- Very
- Somewhat
- Mildly
- No impact
- Not sure/doesn't apply

Importance of friends and family

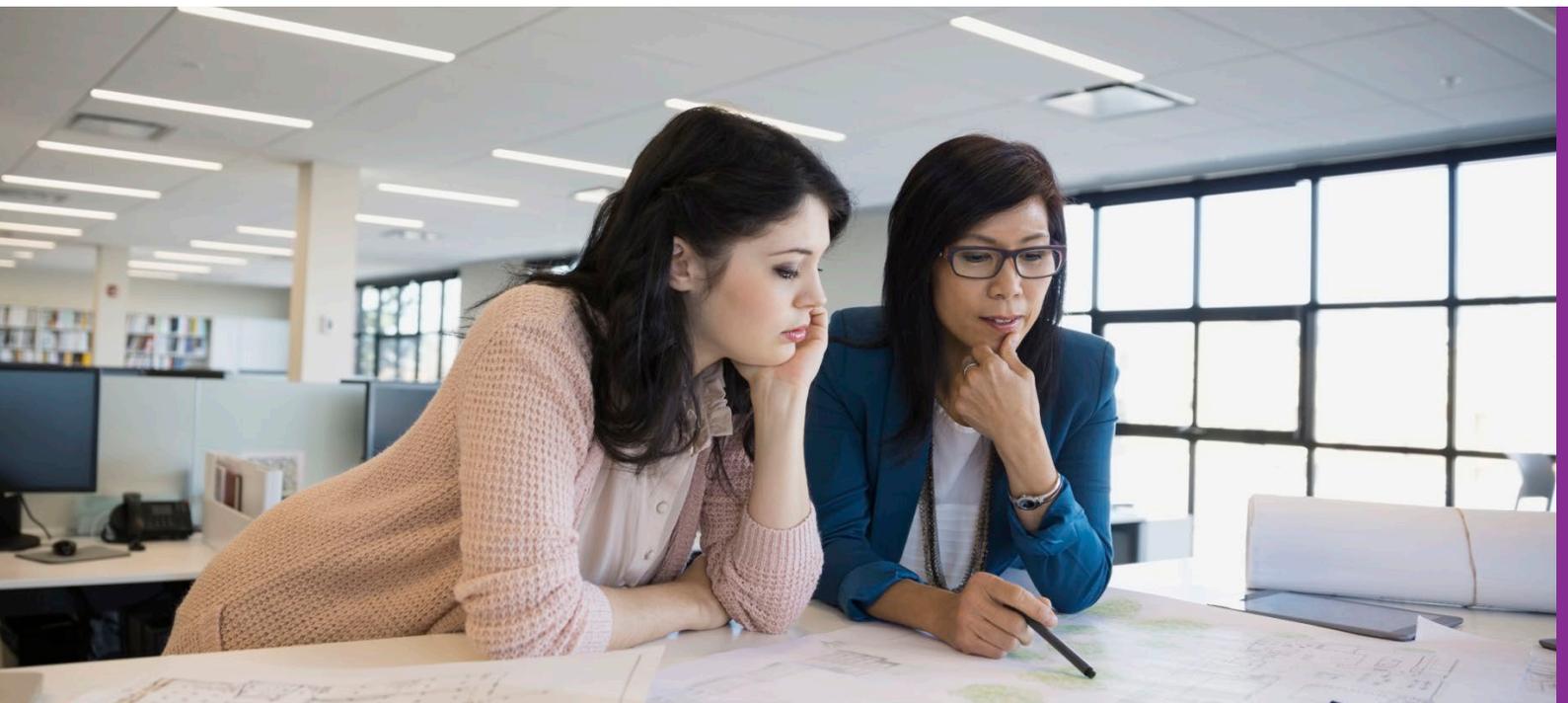


- Extremely
- Very
- Somewhat
- Mildly
- No impact
- Not sure/doesn't apply

Importance of other women (mentors, bosses, colleagues, role models)



- Extremely
- Very
- Somewhat
- Mildly
- No impact
- Not sure/doesn't apply



Room for self-improvement

Although they recognized the unique traits and skills that led to their entrepreneurial success, survey respondents also highlighted a long list of skills they'd like to develop further.

For example, while scoring themselves highly for their ability to make good hires, many cited struggles with the "ability to delegate" and a general inability to let go of all the details as weaknesses. After all, a good leader not only makes great hires, but also leverages their talents effectively and empowers them to take leadership roles.

Similarly, while more than half of respondents described themselves as "good communicators," many wish to improve in related areas such as public speaking, motivating staff, and demonstrating more patience when dealing with delicate human-resource challenges. A number of respondents also indicated that they struggle to know when—and how—to be more forceful when dealing with current and potential customers.

"Saying no does not equal being impolite," says Nellie Torres, the founder of ProjectSpan Services, a 2015 Inc. 5000 company in the construction industry. "You can't allow the company to suffer because you always want to make the most popular decision."

Torres came from a family of seven children in the hardscrabble neighborhood of East New York. The toughness she learned then has served her well over the years, from managing electricians in the new Yankee stadium to wrangling contractors in New York municipal transit, and serving major multinational clients such as Siemens. However, Torres still finds advertising her services—and herself—a challenge. "I don't enjoy receiving a lot of personal attention, and that's a problem," she says with a wistful laugh. "My marketing people always yell at me about that."

Successful entrepreneurs like Torres have the confidence to know their strengths as well as areas in which they need help. Surrounding yourself with good talent and empowering your people to make decisions is a recipe for success, and a common practice among the female entrepreneurs we interviewed.

A skill-set wish list

What women would most like to improve regarding their entrepreneurial or leadership abilities?



A few selected responses from our open ended question on what women entrepreneurs would most like to improve.

“For many organizations, their most critical asset is their people,” says Doughtie. “The ability to attract and retain top talent is vital.”



Not-so-risky business decisions

While some academic studies have suggested that women are more risk-averse than their male counterparts, women entrepreneurs undoubtedly embrace risk-taking. In fact, risk-taking was the third most commonly cited success factor, and a top 5 trait noted as critical for CEOs and founders to possess.

Risk is often in the eye of the beholder, however.

Consider Shelly Sun, founder of \$350 million staffing and services company BrightStar Care. Although she says she is “not a risk-taker by nature,” she launched her company 13 years ago by taking about three-quarters of the severance package she received from a previous employers (about \$100,000) and devoted it to BrightStar. She immersed herself in the details, bought outside research to complement what she didn’t know, and nailed down the numbers she needed to become profitable within a year. She limited all contracts to 12 months (with an option to extend) on the theory that if, after a year, the business was a bust, her skills wouldn’t be so stale that she couldn’t land a rewarding executive position elsewhere.

“It was a risk with a defined amount of money and for a defined time frame,” Sun says.

While many might regard Sun’s investment in her company as a major financial risk, the fact that she viewed it as a carefully developed one-year career strategy says a lot about both her analytical skills and her self-confidence.

However you view it, the risk paid off. Today, what began as a firm designed to provide staffing services in health care has evolved under a franchise model that also includes adult and elder care, and child care.

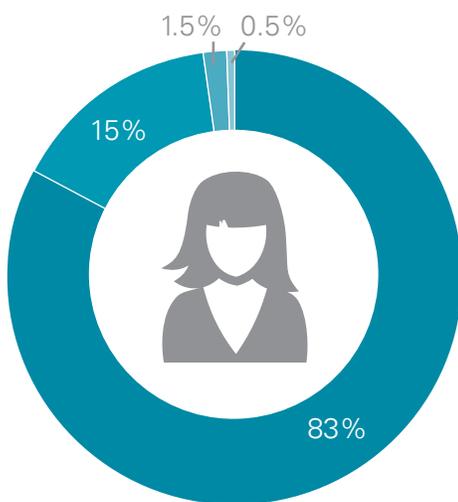
“For some entrepreneurs, taking risks may be a precursor for growth,” says Doughtie. “And in today’s climate of disruption, weighing risks and rewards must be more calculated than ever before.”

That’s why confidence, must go hand-in-hand with risk-taking. And when it comes to success, confidence counts for a lot. An overwhelming majority of respondents (83 percent) rank confidence as a “must-have” trait just below the number one response, leadership.

Whether for entrepreneurs or women looking to ascend to the highest ranks within established companies, our survey respondents agree that confidence and leadership are must have traits. Frankly, when it comes time to being bold and making calculated risks, entrepreneurs need the confidence, leadership, and determination to make the tough decisions that unlock growth.

Confidence counts

How women rank the importance of self-confidence to successful leadership.

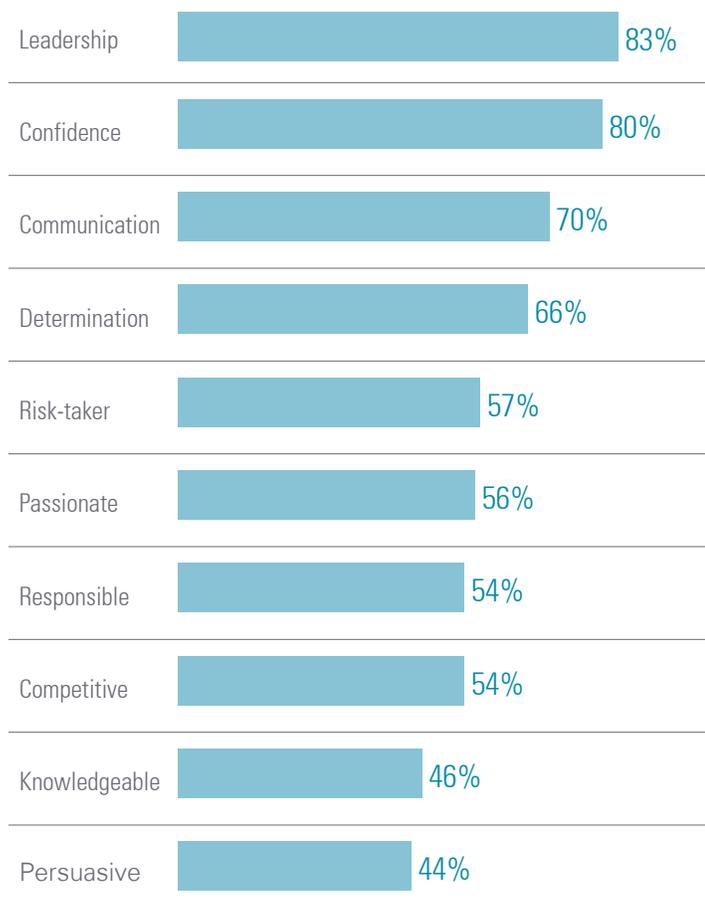


- I'd rank it as a top three, a must-have.
- I'd say it's very beneficial but not essential
- I'd actually rank it as less important than many other traits.
- I think it's a non-issue and has little or no impact on women's success.

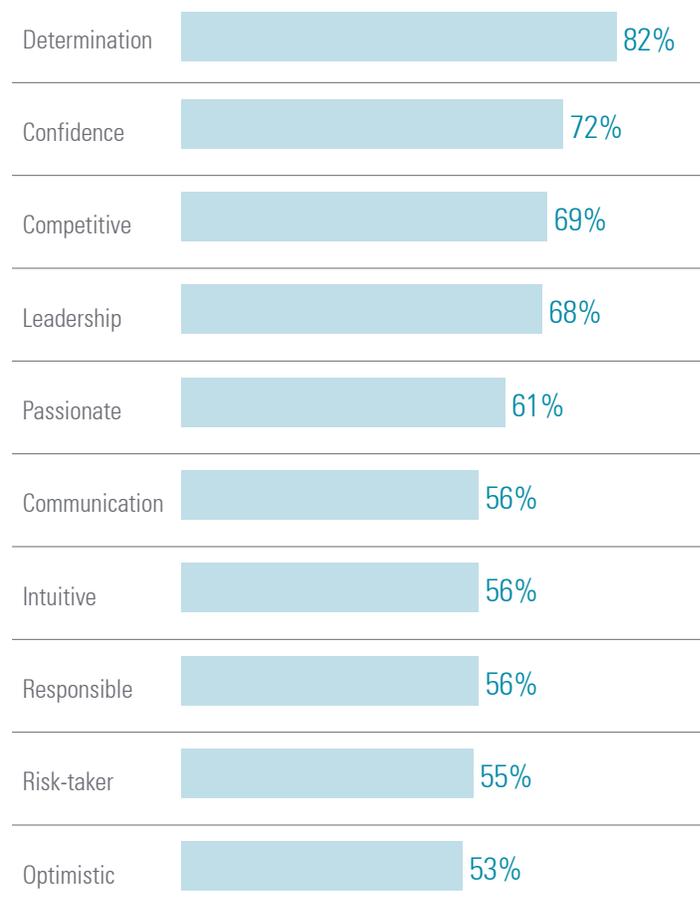


The traits that matter most

Traits women entrepreneurs believe are most critical for a business founder or CEO to possess.



Traits women entrepreneurs believe they personally possess to a high degree.



Multiple responses permitted, charts show top 10 answers from a longer list of answer choices.

Brian Hughes, National Leader of KPMG's Private Markets Group, says that risk-taking and confidence are what enable resource-constrained entrepreneurs to make do with what they have. Entrepreneurs often have more questions than answers, but that doesn't bother them; it motivates them. They grit their teeth and plow ahead. "As demonstrated by the inspiring women we surveyed, if you're going to be a true entrepreneur, you need to be able to thrive on uncertainty," Hughes says, "and not be paralyzed by it."

Conclusion

Building a company is a multifaceted challenge that is not for the faint of heart. When we asked women entrepreneurs what their biggest obstacles have been to date, they cited everything from time management to technology infrastructure to raising capital to managing talent and responding to regulatory pressures.

No wonder they say hard work, perseverance and a willingness to take risks matter most to their success. Whatever challenges they encounter, these women push on.

But not blindly. The women entrepreneurs we surveyed are remarkably self-aware of the gaps in their personal skill sets, and equally dedicated to addressing those, whether through hard work or by relying on the help and support of mentors, colleagues and employees.

Almost 60 percent of respondents said that “vision” is an “extremely important” trait for women entrepreneurs to possess—almost triple the number who cited “financial resources,” and nine times more than those who cited “education.”

Women entrepreneurs consistently marry that vision to a broad set of core personality traits and business skills in order to succeed—not only to capitalize on today’s climate of disruption, but in many cases, to *be* the disruptors.



Key contributors



Lynne Doughtie is Chairman and CEO of KPMG LLP—one of the world’s leading professional services firms and the fastest growing Big Four professional services firm in the U.S. In addition to her U.S. leadership role, she serves on KPMG’s Global Board and Executive



Isabelle Allen is the Global Head of Clients and Markets for KPMG International, responsible for developing and strengthening client relationships with the member firms’ largest multinational accounts. She is also a full-time member of KPMG’s Global Management Team.



Brian Hughes is an Audit partner and the National Private Markets Group Leader at KPMG. He brings more than 30 years of experience advising high-growth, private companies from the development stage through financing and capital formation transactions, to initial public offerings or acquisitions.



Kirsten Castillo Hall is the CEO of Logistics Planning Services (LPS), a privately held transportation and logistics services company based in Woodbury, Minnesota. She brings 19 years of supply chain and management experience into her role and was recently recognized on the 2015 Inc. “Impact 50” list, which comprises the 50 highest-growth, woman-led companies in America.



Nellie J. Torres is the President and CEO of ProjectSpan Services, a Brooklyn-based construction support service and material distribution firm that she established in 2013. Nellie was recently recognized on the 2015 Inc. “Impact 50” list, which comprises the 50 highest-growth, woman-led companies in America.



Shelly Sun is the CEO and cofounder of BrightStar Care®, a premium healthcare staffing company providing the full continuum of care, from homecare to supplemental staffing for corporate clients such as nursing homes and physicians. BrightStar Care has grown to over 300 locations nationwide serving over 15,000 families. Shelly was recently recognized on the 2015 Inc. “Impact 50” list which comprises the 50 highest-growth, woman-led companies in America.

About this report

KPMG’s *Women Entrepreneurs: Passion, Purpose, and Perseverance* seeks to understand the perspectives of successful female entrepreneurs on the traits and factors that have propelled them to success. In support of this effort, KPMG commissioned *Inc. Magazine* in September 2015 to conduct a survey of 204 women founders, CEOs, and owners from the Inc. 5000 list representing the fastest growing private companies in the United States.

About the KPMG Private Markets Group

You know KPMG, but you might not know KPMG’s Private Markets Group (PMG). We are dedicated to working with businesses like yours. Whether you are an entrepreneur, family business, or a fast-growing company, we understand what is important to you. By providing industry perspectives and proactive guidance, our PMG professionals help privately owned companies achieve their strategic objectives throughout each stage of the business life cycle. Our global network provides integrated audit, tax, and advisory services wherever you grow your business. Learn more at kpmg.com/us/privatemarketsgroup.

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