What Enables Her Business to Grow:
a Practitioner Toolkit to Implement a New Segmentation Framework to Unlock the Opportunity of Serving Women-Owned/Led Businesses in Emerging Markets

Introduction

This Toolkit, which accompanies the Women-owned/led Small and Medium Enterprise (WSME) Segmentation Report, provides a step-by-step guide, enabling local financial intermediaries to develop customized lending and financial products that align with the specific needs of each WSME segment, funders to assess risk and allocate funding to support high-potential WSMEs, and business support organizations (BSOs) to design tailored programs that address challenges specific to each segment.

This practical resource includes guides and downloadable tools across six robust steps: to scan the enabling environment surrounding WSMEs, conduct WSME customer segmentation and market analysis, assess the demand among WSMEs for financial and non-financial services, design financial and non-financial products and services, and quantify the market opportunity and business case.

CLICK: WSME Segmentation Report

Introducing the New WSME Segmentation Framework & Toolkit

Around the world, government and financial institutions are recognizing the critical role women entrepreneurs can play in building dynamic businesses, creating jobs, and spurring economic growth. While interventions to remove barriers and ensure women can compete on an even playing field have been plentiful, many have failed to account for the diverse nature of women-led small and medium enterprises (WSMEs) and take a one-size fits all approach.

To address these gaps, Argidius Foundation, Dutch Good Growth Fund (an initiative of the Dutch Ministry of Foreign Affairs), and We-Fi (housed at the World Bank) collaborated with ConsumerCentriX to develop a new, inclusive framework for WSME segmentation that is both practical and easy to implement, enabling stakeholders to design products and services that meet the unique financial and non-financial needs of WSME segments.

> **The overarching goal is to provide stakeholders with the tools they need to improve targeting and support for WSMEs and strengthen gender lens investing strategies' implementation, outcomes, and impact.**

The research focused on formalized WSMEs, defined as businesses which have been registered with the local business authorities. The emphasis on formal WSMEs is justified by their potential for value and job creation and the economic opportunities that arise when effectively serving these businesses.

The **WSME Segmentation Framework** was developed through extensive literature review, primary research, data collection, and statistical analysis. Building on previous work in this area – most notably the Collaborative for Frontier Finance's *Missing Middles: Segmenting Enterprises to Better Understand Their Financial Needs* – the framework challenges conventional approaches that segment by size, classifying WSMEs instead according to projected growth of enterprise revenue. Statistical analysis of quantitative and qualitative data collected from hundreds of WSMEs across three diverse markets—Pakistan, Uganda, and Colombia—found that projected enterprise growth was the most significant differentiator for segmentation.

The research identified three key growth segments — high, moderate, and low — where growth is defined as the expected percentage increase in annual revenue over the next five years. It also pinpointed critical factors influencing WSME growth within each segment, offering a more nuanced understanding of their needs and potential. This led to the identification of 15 business growth enablers — factors linked to the entrepreneur's personal and professional traits as well as business characteristics — as well as factors found to have limited impact on growth. An analysis of the enabling environment in the three pilot countries complements the findings, providing insight into the range of conditions affecting WSMEs in emerging markets.

WSME growth segments and profiles

Within each of the three growth segments (high, moderate, low), two distinct entrepreneur profiles further differentiate businesses based on the entrepreneur's motivations, financial behaviors, and support needs. Identified through statistical cluster analysis, these profiles are best described as the motivating forces driving the entrepreneur at each stage of growth. Each profile has distinct financial and non-financial needs, requiring tailored support from service providers to help WSMEs grow and transition to higher segments. By pinpointing the key motivations driving each entrepreneur and understanding her personal and business characteristics, providers can better customize their offerings to meet the specific needs and aspirations of each profile.

While the descriptions of financial and non-financial needs below apply broadly to each growth segment as a whole, a detailed breakdown of the specific needs of each profile can be found in the body of the report, linked at the bottom of the page.

High Growth
>50% growth of annual enterprise revenue

Profiles	Characteristics	Financial & Non-Financial Needs
Wealth Creation entrepreneurs aggressively pursue revenue growth and are open to equity investments. **Legacy Building** entrepreneurs prioritize long-term family involvement and wish to retain control of their businesses.	High Growth WSMEs leverage innovation, technology, and external financing to scale rapidly. They are ambitious, have strong professional networks, and typically access sophisticated financial services and management tools.	They require loans for large-scale expansion and may consider equity partnerships. To complement their strong business skills, they benefit from advanced business support programs, coaching, mentoring, and access to accelerators.

Moderate Growth
20-50% growth of annual enterprise revenue

Profiles	Characteristics	Financial & Non-Financial Needs
Aspired Expansion are seasoned entrepreneurs, equipped with skills and networks, who aspire to greater expansion. **Stability** entrepreneurs focus on local markets, lead smaller teams, and are less digitally oriented.	Moderate Growth WSMEs take a strategic but cautious approach to scaling, balancing opportunity with family and operational constraints. They typically reinvest profits rather than seeking external financing and typically do not have access to extensive business development support.	Moderate growth WSMEs need flexible loans with accessible interest rates, relationship-based banking, and BDS services to strengthen networks and enhance business skills.

Low Growth
<20% growth of annual enterprise revenue

Profiles	Characteristics	Financial & Non-Financial Needs
Livelihood entrepreneurs focus on sustaining their family livelihood and ensuring steady income. **Survival** entrepreneurs operate businesses out of necessity, often facing significant financial and resource constraints and lacking business skills.	Low Growth WSMEs typically use personal bank accounts for business purposes and have limited access to traditional credit. Their businesses are built gradually to generate enough income for family needs rather than growth.	They require basic access to formal financial products, training to develop accounting, sales, and taxation skills, and opportunities to build business networks. Formalization support and skill-building programs are crucial to help them scale modestly and strengthen business resilience.

CLICK: WSME Segmentation Report

HOW TO USE THE TOOLKIT

This toolkit guides practitioners through six steps, which are detailed on the following pages, with each step containing link(s) of resources that are to be downloaded and completed. The process starts by understanding the external environment (#1) and existing market offerings to WSMEs (#2). Subsequent tools address the demand-side: by guiding the user to conduct research to understand the needs and pain points among profiles of WSMEs (#3), segment and profile current and new clients (#4), and conduct portfolio analysis to see how the institution is currently serving the WSME market and what could be enhanced (#5). Finally, users can quantify the size of the WSME market and the business case for serving WSMEs in a given country (#6).

The tools are provided in a sequential way and logical order; however, there are certain actions that could be taken as one-offs or steps that could be conducted simultaneously. For example, conducting portfolio analysis and segmenting clients could be undertaken together.

Click the title below to go directly to that tool, or continue scrolling to review tools in sequence.

1. Scan the Enabling Environment   Click Here

To determine how WSMEs are restricted or enabled by the legal and regulatory landscape, financial market sophistication and support, digital infrastructure, ease of doing business, gender norms & socio-cultural environment.

2. Assess the Market Offering   Click Here

Map the ecosystem players, assess financial services available to WSMEs, and bank-provided and non-bank provided business support programs targeting SMEs/WSMEs including business and professional trainings, academic programs and certifications, incubators, accelerators, coaching, mentoring, networking and peer learning.

3. Assess the Demand   Click Here

Use the provided survey tool to gather data to determine local WMSMEs: personal and business characteristics, financial products/services usage and needs, business skills and BDS usage and needs. Analysis of data will enable a deeper understanding of WSME segments in a specific market and identify unique WSME needs and opportunities.

4. Segment Clients   Click Here

Segment current clients using the 15 key dimensions to understand which segment they fall into. This tool can also serve as a self-assessment for WSMEs to self-diagnose and identify weaknesses and areas for improvement.

5. Conduct Portfolio Analysis   Click Here

Conduct portfolio analysis to understand WMSME representation in the portfolio, what uptake of different products/services is among WMSMEs, and identify gaps and opportunities (to target segments with existing financial and non-financial services).

6. Size the Prospective Market & Determine the Business Case   Click Here

Model the prospective market size and develop/refine the business case for serving the WSME market.

The toolkit is a set of tools, targeting different financial sector stakeholders

✔ = relevance of the step to the identified audience

Toolkit steps and tools included	Primary Stakeholders			
	Financial Intermediaries*	Business Support Organizations (BSOs)	Funders**	Financial Regulators
1. Scan the Enabling Environment				
Tool to assess the enabling environment	✔	✔	✔	✔
2. Assess the Market Offering				
Tool to map the providers and FS & NFS offering targeting WSMEs	✔	✔	✔	✔
3. Assess the Demand				
Survey to assess the market demand among WSMEs	✔	✔	✔	✔
4. Segment Clients				
Screener for WSMEs – to determine segment and profile	✔	✔		
5. Conduct Portfolio Analysis				
Portfolio analysis guide	✔			
6. Size the Prospective Market & Determine the Business Case				
Market sizing and business case guide and model	✔		✔	✔

* Financial intermediaries include: local financial service providers (FSPs), risk capital providers, and non-bank financial institutions (NBFIs).

** Funders include: international, regional and local development finance institutions (DFIs), multilateral development banks (MDBs), foundations, family offices, and private commercial investors.

CALL TO ACTION

As you use this guide and its tools, we welcome you to submit feedback directly to ConsumerCentriX. The goal is for this toolkit to enhance how direct stakeholders understand, segment, and support WSMEs and their growth. If you have ideas of how to improve the toolkit or questions, please click here to submit.

TOOLKIT STEP 1:
Scan the Enabling Environment

Why Use This Tool

Before applying the WSME Segmentation Framework to understand characteristics of the woman entrepreneur and her business, it is important to understand the external environment in which WSMEs operate. This tool provides a framework for assessing the enabling environment using data points from publicly available sources; thereby allowing practitioners to assess the ways in which women business owners/entrepreneurs are hindered or enabled in their respective market(s) – in many cases, regardless of their segment or profile – and identify constraints to address, mitigate, or accommodate when designing product terms and service operations in order to build a winning value proposition for WSMEs .

CLICK: Excel Template

What are the steps?

1. **Familiarize yourself with the framework** and the five dimensions: the legal and regulatory landscape, gender norms and socio-cultural environment, financial market sophistication and support, business friendliness, and digital infrastructure.
2. **Visit updated data sources linked and collect data for each component** on your country of interest. This may be done in the tables provided or by downloading and using the excel template linked within.
3. **Assess the environmental factors that enable or hinder WSME growth** - analyze the data collected, compare countries, and identify enabling or hindering factors

SCAN THE ENABLING ENVIRONMENT

Step 1: The visual depicts the five key dimensions used to assess the environment surrounding WSMEs with insight on how this element impacts how the WSME segmentation framework is applied within a given market

The legal frameworks and protections in place that may support or hinder women's participation in the workforce and entrepreneurship.
Implication: *In countries with laws that disadvantage women or a lack of laws protecting women, women business owners have more barriers and fewer rights than men. For example, laws prohibiting women from inheriting assets results in less collateral available, which is a key business growth enabler of WSMEs. If a woman's mobility is restricted, she cannot do business freely and there may be fewer high-growth WSMEs.*

The availability and accessibility of financial services and products, including credit, investment opportunities, and banking infrastructure.

Implication: *In more sophisticated markets, even low-growth WSMEs are likely to use formal credit (albeit likely personal loans) as there is more widespread access to financial products/services.*

The overall business environment, including operational efficiencies.

Implication: *In markets with greater ease of doing business, the proportion of women enterprises that are formal is greater, and it should be easier to advance to a more accelerated growth pathway.*

LEGAL AND REGULATORY LANDSCAPE

FINANCIAL MARKET SOPHISTICATION AND SUPPORT

GENDER NORMS AND SOCIO-CULTURAL ENVIRONMENT

BUSINESS FRIENDLINESS

DIGITAL INFRASTRUCTURE

The societal attitudes and cultural norms related to gender equality, community support for women entrepreneurs, and the presence of women's business associations.

Implication: *Conservative gender norms make it significantly more difficult for women to operate business than men. In these countries, family support, advanced education, previous professional experience, and strong business skills and networks are incredibly important for WSMEs and are traits found across high and moderate growth profiles.*

The development and accessibility of digital technologies and internet services, which are essential for modern business operations and competitiveness.

Implication: *Use of technology is one of the key business enablers that define the segments and profiles. In markets with more sophisticated digital infrastructure, there will be more widespread application of technology in business models and operations, not only among high-growth WSMEs.*

SCAN THE ENABLING ENVIRONMENT

Step 2.1: Gather data on the legal and regulatory landscape

How to? Online search for "World Bank: Women, Business & the Law and your country of interest to find the most recent PDF (2-3 pages) on that country – or search via this site: https://wbl.worldbank.org/en/wbl. Fill in the data in the yellow column. This may be completed by downloading and completing the excel document here instead.

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Question	Indicator	Unit	Source	Country X
How established is the legal framework for women's safety from domestic violence, sexual harassment, femicide, child marriage?	Legal framework on women's safety	Score (0-100)	World Bank Women, Business & the Law 2024	
Are women able to travel outside of the home and country in the same way as men?	Legal framework on women's mobility	Score (0-100)	World Bank Women, Business & the Law 2024	
How does the legal framework support workplace equality and anti-discrimination?	Legal framework on workplace	Score (0-100)	World Bank Women, Business & the Law 2024	
How protected are women against discrimination during recruitment process?	Legal protection against discrimination in recruitment	Yes/No	World Bank Women, Business & the Law 2024	
What is the situation for women in terms of equal pay for equal work?	Equal remuneration for work or equal value	Yes/No	World Bank Women, Business & the Law 2024	
Is there no legal requirement for a married woman to obey her husband?	The law does not contain any requirements for a married woman to obey her husband	Yes/No	World Bank Women, Business & the Law 2024	
Is there support for families for childcare services?	Availability of support for childcare services	Yes/No	World Bank Women, Business & the Law 2024	
How protected are women against discrimination in access to credit?	Legal protection against discrimination in access to credit	Yes/No	World Bank Women, Business & the Law 2024	

SCAN THE ENABLING ENVIRONMENT

Step 2.2: Gather data on gender norms and socio-cultural environment, with four categories for further exploration

FAMILY & WORK PERSPECTIVES:

This category captures the personal importance and balance of family and work in individuals' lives, highlighting gender differences and societal norms regarding the roles and expectations of role in family and professional settings

FREEDOM AND TRUST:

This category assesses individuals' sense of autonomy and trust in others, which can influence their ability to engage in entrepreneurial activities, build networks, and access resources. It highlights the broader socio-cultural environment affecting women's empowerment

PERCEPTIONS OF WOMEN'S ROLE IN SOCIETY:

This category encompasses societal attitudes towards women's roles in education, leadership, and employment, providing insights into gender biases and stereotypes that can impact women's opportunities and treatment in various sectors

GROUP MEMBERSHIP:

This category examines women's participation in various formal and informal networks, such as professional associations, labor unions, and support groups. Membership in these groups can provide women with valuable resources, support, and advocacy opportunities

SCAN THE ENABLING ENVIRONMENT

Step 2.2: Gather data on gender norms and socio-cultural environment - family & work perspectives

HOW TO?

1. Visit the World Values Survey website here.
2. Download data from the most recent "wave" of data collection.
3. If your country of interest is not included in the survey, you can use a comparable country in the region as a proxy.
4. Find the indicators listed on the page here and input the data points for total, female, male for each of the blue boxes.
5. Note this may be done by downloading and completing the excel document here instead.

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QUESTIONS   COUNTRY X   👫 TOTAL   👩 FEMALE   👨 MALE

IMPORTANCE OF FAMILY IN ONE'S LIFE		VERY IMPORTANT	RATHER IMPORTANT	NOT VERY IMPORTANT	NOT IMPORTANT AT ALL
	👫	%	%	%	%
	👩	%	%	%	%
	👨	%	%	%	%

WHEN A MOTHER WORKS FOR PAY, THE CHILDREN SUFFER		STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE
	👫	%	%	%	%
	👩	%	%	%	%
	👨	%	%	%	%

BEING A HOUSEWIFE IS JUST AS FULFILLING AS WORKING FOR PAY					
	👫	%	%	%	%
	👩	%	%	%	%
	👨	%	%	%	%

IF A WOMAN EARNS MORE MONEY THAN HER HUSBAND, IT'S ALMOST CERTAIN TO CAUSE PROBLEMS		STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE
	👫	%	%	%	%	%
	👩	%	%	%	%	%
	👨	%	%	%	%	%

SCAN THE ENABLING ENVIRONMENT

Step 2.2: Gather data on gender norms and socio-cultural after environment - perceptions of women's role in society

HOW TO?

1. Visit the World Values Survey website <u>here</u>.
2. Download data from the most recent "wave" of data collection.
3. If your country of interest is not included in the survey, you can use a comparable country in the region as a proxy.
4. Find the indicators listed on the page here and input the data points for total, female, male for each of the blue boxes.
5. Note this may be done by downloading and completing the excel document here instead.

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QUESTIONS   COUNTRY X   👫 TOTAL   👩 FEMALE   👨 MALE

A UNIVERSITY EDUCATION IS MORE IMPORTANT FOR A BOY THAN FOR A GIRL

	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE
👫	%	%	%	%
👩	%	%	%	%
👨	%	%	%	%

ON THE WHOLE, MEN MAKE BETTER BUSINESS EXECUTIVES THAN WOMEN DO

	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE
👫	%	%	%	%
👩	%	%	%	%
👨	%	%	%	%

WHEN JOBS ARE SCARCE, MEN SHOULD HAVE MORE RIGHTS TO A JOB THAN WOMEN

	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE
👫	%	%	%	%
👩	%	%	%	%
👨	%	%	%	%

SCAN THE ENABLING ENVIRONMENT

Step 2.2: Gather data on gender norms and socio-cultural after environment - market principles perspectives

HOW TO?

1. Visit the World Values Survey website here.
2. Download data from the most recent "wave" of data collection.
3. If your country of interest is not included in the survey, you can use a comparable country in the region as a proxy.
4. Find the indicators listed on the page here and input the data points for total, female, male for each of the blue boxes.
5. Note this may be done by downloading and completing the excel document here instead.

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QUESTIONS   COUNTRY X   TOTAL   FEMALE   MALE

	1-2: NO CHOICE AT ALL	3-4	5-6	7-8	9-10: A GREAT DEAL OF CHOICE
ON A SCALE FROM 1 TO 10, HOW MUCH FREEDOM AND CONTROL DO YOU FEEL YOU HAVE OVER YOUR LIFE? (Total)	%	%	%	%	%
(Female)	%	%	%	%	%
(Male)	%	%	%	%	%
ON A SCALE FROM 1 TO 10, HOW DO YOU VIEW COMPETITION? (Total)	%	%	%	%	%
(Female)	%	%	%	%	%
(Male)	%	%	%	%	%

	1 = MOST PEOPLE CAN BE TRUSTED	2 = NEED TO BE VERY CAREFUL
DO YOU THINK MOST PEOPLE CAN BE TRUSTED OR SHOULD YOU BE VERY CAREFUL IN DEALING WITH THEM? (Total)	%	%
(Female)	%	%
(Male)	%	%

	TRUST COMPLETELY	TRUST SOMEWHAT	DO NOT TRUST VERY MUCH	DO NOT TRUST AT ALL
DO YOU TRUST THE PEOPLE OF ANOTHER NATIONALITY? (Total)	%	%	%	%
(Female)	%	%	%	%
(Male)	%	%	%	%

SCAN THE ENABLING ENVIRONMENT

Step 2.2: Gather data on gender norms and socio-cultural after environment - women's participation in different organizations

HOW TO?

1. Visit the World Values Survey website here.
2. Download data from the most recent "wave" of data collection.
3. If your country of interest is not included in the survey, you can use a comparable country in the region as a proxy.
4. Find the indicators listed on the page here and input the data points for total, female, male for each of the blue boxes.
5. Note this may be done by downloading and completing the excel document here instead.

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QUESTIONS   COUNTRY X   TOTAL   FEMALE   MALE

		ACTIVE MEMBER	INACTIVE MEMBER	DON'T BELONG
PARTICIPATION IN WOMEN'S GROUP	Total	%	%	%
	Female	%	%	%
	Male	%	%	%
PARTICIPATION IN SELF-HELP GROUP, MUTUAL AID GROUP	Total	%	%	%
	Female	%	%	%
	Male	%	%	%
PARTICIPATION IN PROFESSIONAL ASSOCIATION	Total	%	%	%
	Female	%	%	%
	Male	%	%	%
PARTICIPATION IN LABOR UNION	Total	%	%	%
	Female	%	%	%
	Male	%	%	%

SCAN THE ENABLING ENVIRONMENT

Step 2.3: Gather data on the financial market sophistication and support

How to?
Click on the hyperlink provided in the "source & hyperlink" column and find the relevant data point. Alternatively, search for the data source to confirm if there is more recent data than the year listed below. Fill in the data for your country of interest in the yellow column. If the country is not included in the survey, you can use a comparable country in the region as a proxy. Note this may be done by downloading and completing the excel document here instead.

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Question	Indicator	Source & Hyperlink	Country X
How sophisticated and supportive is the financial market in terms of credit?	Credit (incl. finance for startups, domestic credit, microfinance loans) (Score/value)	WIPO-Global Innovation Index, 2023	
How easy is it to get credit?	Getting credit (Score/value)	World Bank – B-Ready	
How developed is the investment environment?	Investment (incl. market capitalization, VC deals, VC recipients) (Score/value)	WIPO-Global Innovation Index, 2023	
How diverse and established is the market in terms of trade?	Trade, diversification, and market scale (Score/value)	WIPO-Global Innovation Index, 2023	
How developed and accessible are registered mobile money agent outlets?	Number of registered mobile money agent outlets per 100,000 adults (#)	IMF FAS, 2022	
What share of women own a bank account?	Percent of adult women who own a bank account (%)	Findex, 2021	
Is there any gender gap in account ownership?	Gender gap in account ownership (%)	Findex, 2021	
What percentage of women have made or received a digital payment?	% of women who made/received a digital payment	Findex, 2021	
What percentage of women have a mobile money account?	% of women with mobile money account	Findex, 2021	
What percentage of women have borrowed from a formal financial institution?	% of women borrowed from a formal financial institution	Findex, 2021	
What percentage of women have borrowed from family or friends?	% of women borrowed from family or friends	Findex, 2021	

SCAN THE ENABLING ENVIRONMENT
Step 2.4: Gather data on business friendliness

How to?
Click on the hyperlink provided in the "source & hyperlink" column and find the relevant data point. Alternatively, search for the data source to confirm if there is more recent data than the year listed below. Fill in the data for your country of interest in the yellow column. If the country is not included in the survey, you can use a comparable country in the region as a proxy. Note this may be done by downloading and completing the excel document here instead.

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Question	Indicator	Source & Hyperlink	Country X
How easy is it to register and start operations of a new LLC?	Business Entry Overall (Score/value)	World Bank – B-Ready	
How easy is it for entrepreneurs to secure the adequate location to set up their company – either by purchasing, leasing, or building?	Business Location Overall (Score/value)	World Bank – B-Ready	
How easy is the tax process for businesses?	Taxation Overall (Score/value)	World Bank – B-Ready	
How easy is the process of exporting and importing goods and services?	International Trade Overall (Score/value)	World Bank – B-Ready	
What is the availability of knowledge workers?	Knowledge workers (incl., %, GERD performed by business) (Score/value)	WIPO-Global Innovation Index, 2023	
How developed is the collaboration and investment in innovation in the country?	Innovation linkages (incl. University-industry R&D collaboration, GERD financed by abroad) (Score/value)	WIPO-Global Innovation Index, 2023	
How well developed is the innovation/knowledge adaption level in the country?	Knowledge absorption (incl. % total trade, High-tech imports, Research talent) (Score/value)	WIPO-Global Innovation Index, 2023	
Is there any support from government that may make payments easier?	Government investment in program to digitalize G2P and P2G payments (incl. social transfers) (Yes/No)	Search for government programs to digitize G2P payments and answer accordingly	

SCAN THE ENABLING ENVIRONMENT

Step 2.5: Gather data on the digital infrastructure

How to?
Click on the hyperlink provided in the "source & hyperlink" column and find the relevant data point. Alternatively, search for the data source to confirm if there is more recent data than the year listed below. Fill in the data for your country of interest in the yellow column. If the country is not included in the survey, you can use a comparable country in the region as a proxy. Note this may be done by downloading and completing the excel document here instead.

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Question	Indicator	Source & Hyperlink	Country X
How do businesses leverage ICT for gaining a competitive edge in the market?	Information and communication technologies (incl. ICT access, ICT use, E-participation) (Score/value)	WIPO Global Innovation Index, 2023	
How does women SME owners' knowledge affect their business performance?	Knowledge impact (incl. Labor productivity growth, High-tech manufacturing) (Score/value)	WIPO Global Innovation Index, 2023	
How widespread and accessible is the internet?	Percent of population using the internet	Search for available local data for example from national statistics bureau or national surveys or use ITU 2023	
What share of women have access to the internet?	Proxy women's access to internet (%)	GSMA, 2023	
How many people have access to a mobile phone?	Mobile ownership, (%)	World Bank, 2021 and GSMA, 2023	
What share of women have access to a phone?	Proxy women's phone ownership (%)	Search for available local data for example from national statistics bureau or national surveys	
What percentage of the population has access to electricity?	Percent population with access to electricity	World Bank, 2022	
How well established is the online infrastructure?	Online Service Index (incl. scope and quality of online services) (Score/value)	UN, 2022	
How does the Telecommunication Infrastructure Index affect service quality?	Telecommunication infrastructure Index (i.e. development status of telecom infra.) (Score/value)	UN, 2022	

SCAN THE ENABLING ENVIRONMENT
Step 3: Use traffic lights to indicate the readiness of each dimension of the environment to support WSME growth

LEGEND

| | SUPPORTIVE | SOMEWHAT SUPPORTIVE | MODERATE | SOMEWHAT PROHIBITIVE | PROHIBITIVE |

5 Key Dimensions	COUNTRY X	ANALYSIS
LEGAL AND REGULATORY LANDSCAPE		**Prohibitive:** All women business owners face more barriers and have fewer rights than men, which will impede growth. **Supportive:** Women business owners can do business freely, without laws restricting them from achieving desired growth.
GENDER NORMS & SOCIO-CULTURAL ENVIRONMENT		**Prohibitive:** Women business owners face great discrimination and challenges. Family support, advanced education, previous professional experience, and strong business skills & networks are incredibly important. **Supportive:** Women business owners are treated more fairly, with fewer gendered differences.
FINANCIAL MARKET SOPHISTICATION		With special emphasis on availability of capital to WSMEs. **Prohibitive:** Greater structural/supply-side barriers to accessing credit and financial services. Low and moderate growth WSMEs will have very limited access and growth will be stunted - relying on reinvesting profits and personal resources. **Supportive:** In these markets, there is more widespread access to financial products/services. Even low-growth WSMEs will be able to access formal credit (albeit likely personal loans), as desired.
BUSINESS FRIENDLINESS		**Prohibitive:** Greater proportion of informal women enterprises and achieving desired and accelerated growth will be more challenging. **Supportive:** Greater proportion of formal women enterprises and it should be easier to achieve accelerated growth.
DIGITAL INFRASTRUCTURE		**Prohibitive:** Only Wealth Creation, Legacy Building, and Aspired Expansion WSME profiles will consistently apply technology. **Supportive:** More widespread application of technology in business models & operations among all profiles and segments.

INPUT COLORS ⬆

CONSIDER HOW EACH IMPACTS WSME SEGMENTS & PROFILES ⬆

TOOLKIT STEP 2:
Assess the Market Offering

Why Use This Tool

This tool is a guide and template to assess the market offering of both financial and business development services (BDS) and their providers supporting WSMEs. The focus is on analyzing both financial services (FS) and non-financial services (NFS) offerings, key players, and programs that enable growth, business expansion, innovation, and sustainability for WSMEs. This tool is particularly useful for funders as they determine where to channel resources to support WSMEs in a given market and for financial regulators as they prioritize policies and initiatives. Also, local financial intermediaries and BSOs will find this exercise helpful to identify other market players and solutions of financial and non-financial services (NFSs) and to consider potential partnerships and referrals.

The tool may be completed in a PDF viewer (by editing pages 19-26) or in PowerPoint, by clicking and downloading the template linked to the right.
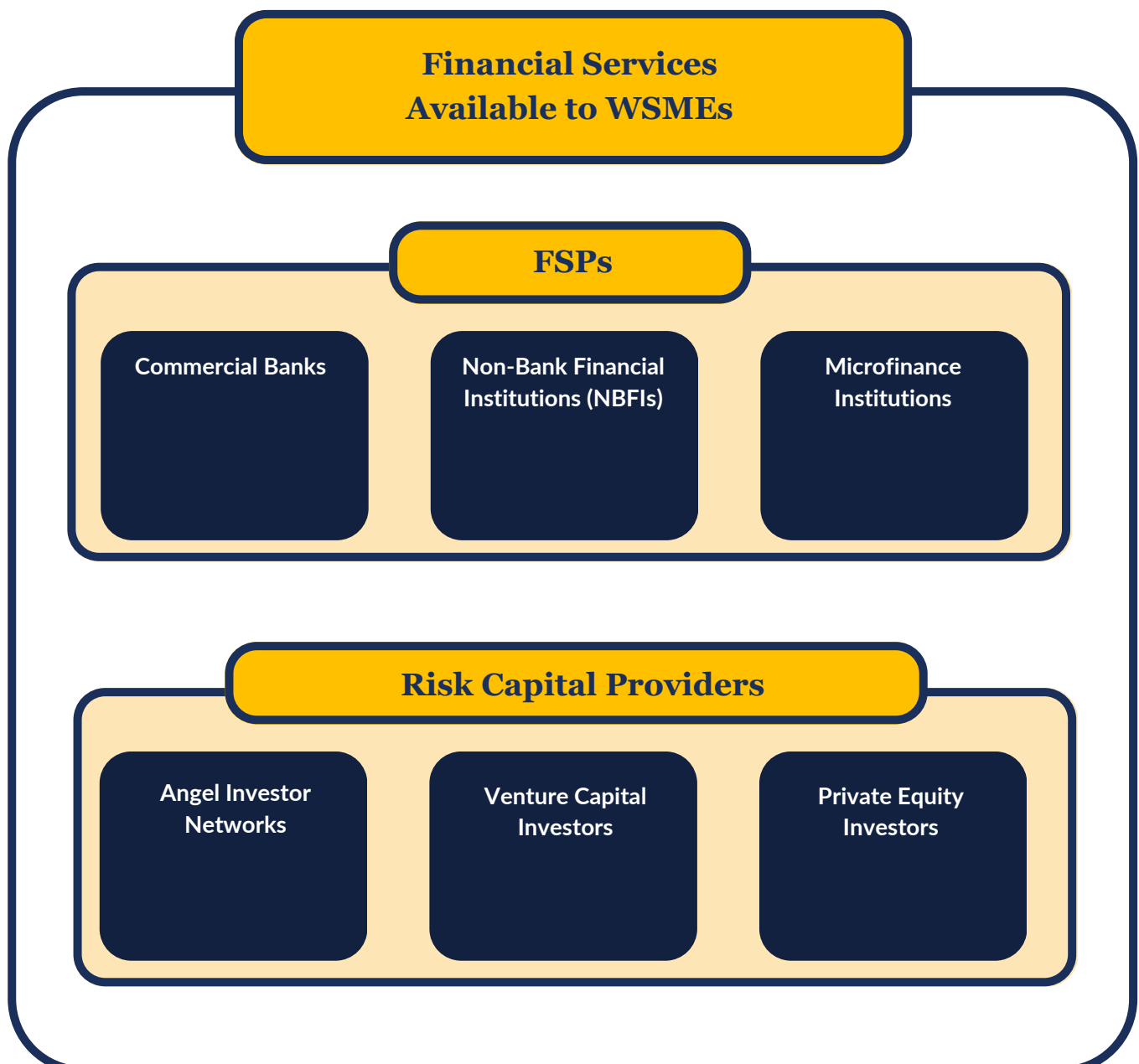
**CLICK:
PowerPoint Template**

What are the steps?

1. **Map the Stakeholder Ecosystem** - including public and private institutions providing services and products targeting WSMEs. For some countries, there may be online (W)SME ecosystem maps available from, for example, ANDE. We recommend using these sources as a starting point.
2. **Review FS and NFS Offerings** - to identify the financial and non-financial offerings available to WSMEs, including loans, grants, equity, or training, mentorship, and networking, including eligibility criteria.
3. **Examine Offering per Segment/Profile and Opportunities** - determine how these FS and NFS offerings address specific WSME segments (high, moderate, low growth) and entrepreneurial profiles and other demographics (including underserved, rural, youth, etc.)

Step 1.1: Map the Ecosystem Stakeholders

HOW TO?

1. Start off by adding the organizations providing financial services directly to WSMEs.
2. List financial service providers (FSPs), separating out commercial banks, NBFIs, and microfinance institutions.
3. List risk capital providers, including angel networks, venture capital (VC) investors, and private equity (PE) investors.

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Financial Services Available to WSMEs

FSPs

| Commercial Banks | Non-Bank Financial Institutions (NBFIs) | Microfinance Institutions |

Risk Capital Providers

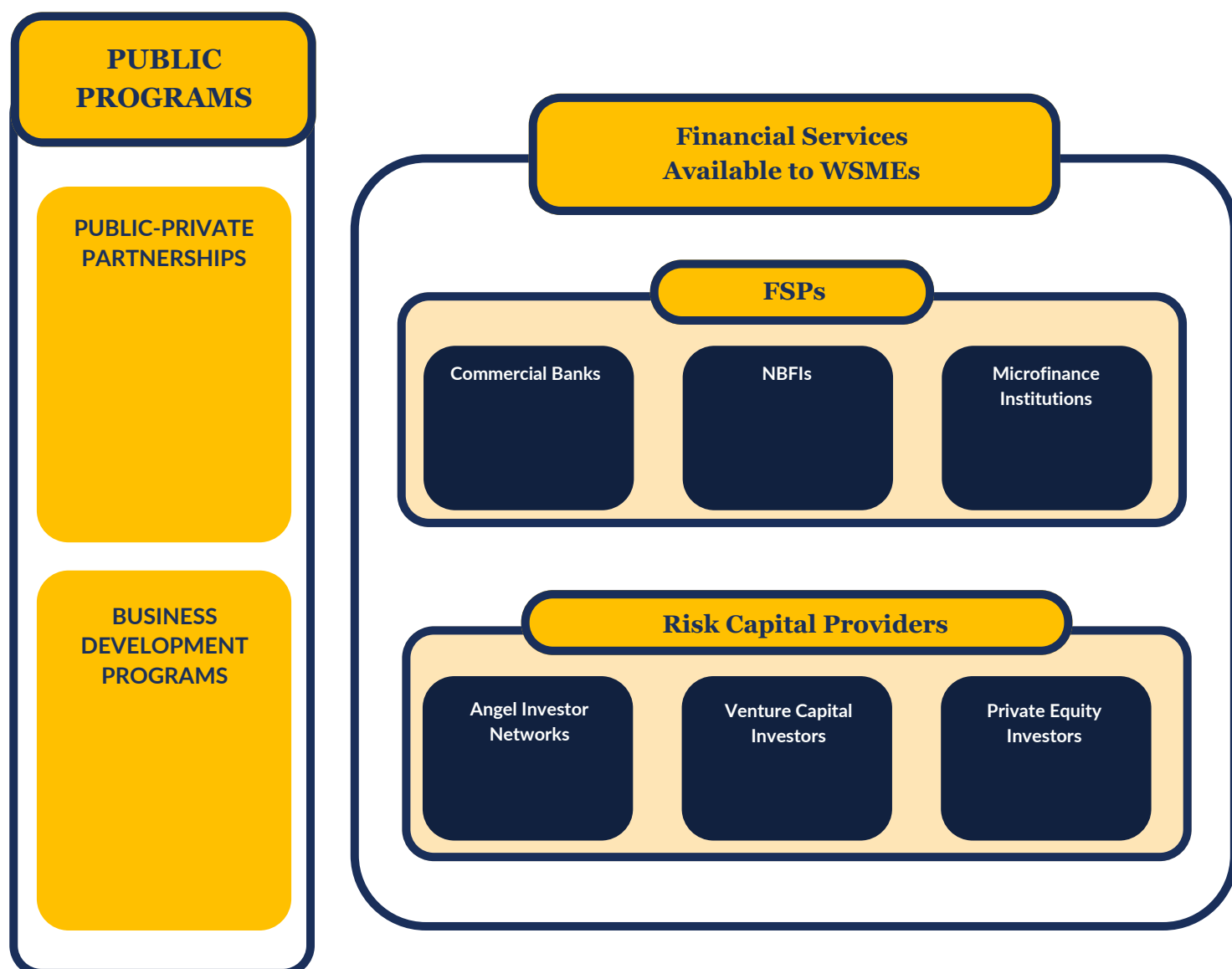| Angel Investor Networks | Venture Capital Investors | Private Equity Investors |

ASSESS THE MARKET OFFERING

Step 1.2: Map the Ecosystem Stakeholders

HOW TO?

1. Scan public programs targeting WSMEs – including Ministry of Finance, other ministries & agencies, industry associations (bankers, microfinance, Fintech, etc.), National Chamber of Commerce, Women in Business Associations or Women-Specific Entrepreneur Organizations.
2. List and detail all public-private partnerships between local government ministries and private sector, including credit lines, credit guarantee facilities, etc.
3. List business support programs targeting WSMEs, including those led by government Ministries, NGOs and others.

PUBLIC PROGRAMS

- PUBLIC-PRIVATE PARTNERSHIPS
- BUSINESS DEVELOPMENT PROGRAMS

Financial Services Available to WSMEs

FSPs

| Commercial Banks | NBFIs | Microfinance Institutions |

Risk Capital Providers

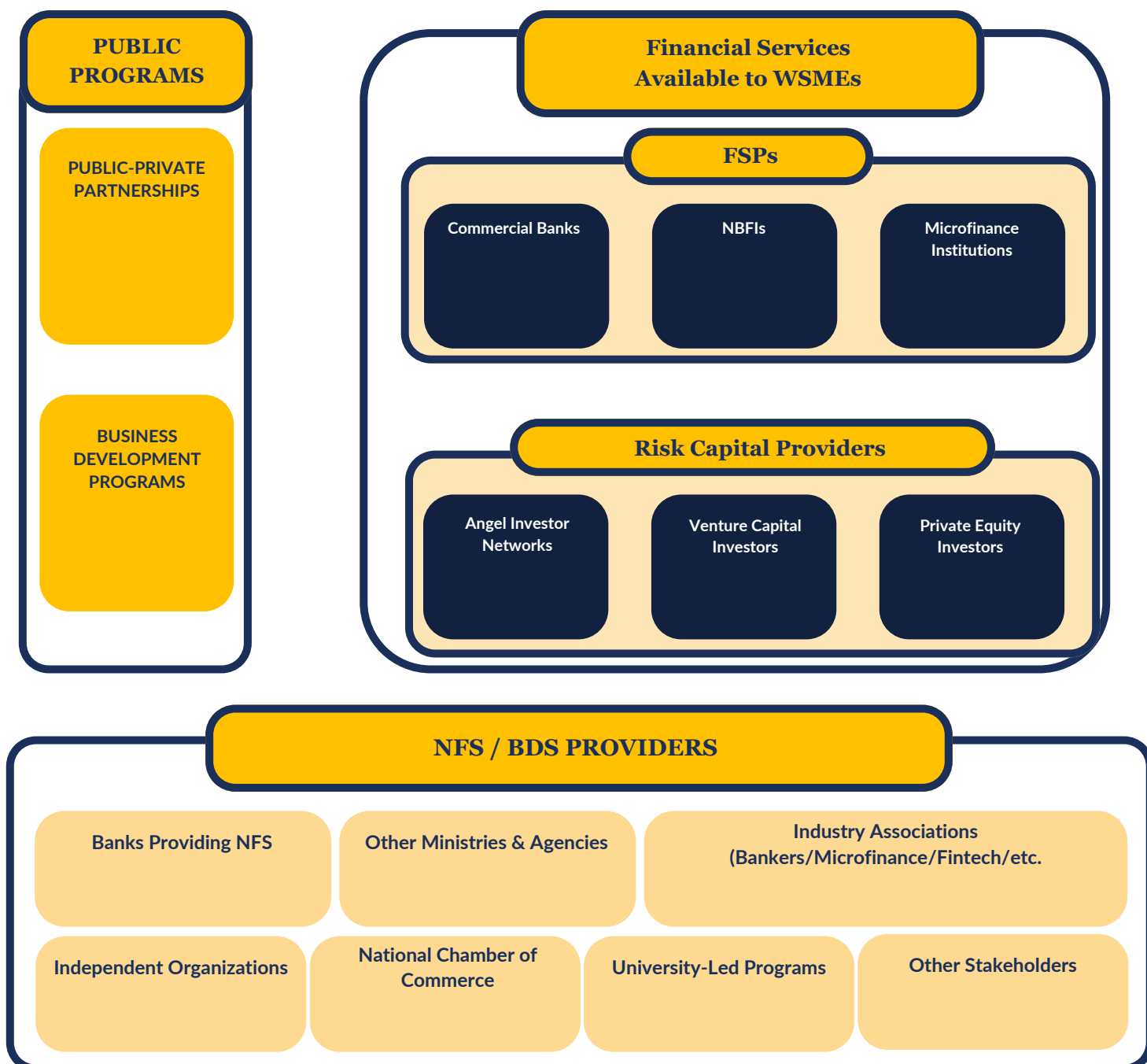| Angel Investor Networks | Venture Capital Investors | Private Equity Investors |

Step 1.3: Map the Ecosystem Stakeholders

HOW TO?

1. Map out other stakeholders providing non-financial services (NFS) and business development services (BDS) to WSMEs, including: trainings and capacity building, courses and online material or information, mentoring or coaching programs, incubators, accelerators, networking opportunities (online or in-person), and learning events
2. Listed here are the types of stakeholders. It is recommended that within each group or type of stakeholder, you list each stakeholder out by name of institution.

PUBLIC PROGRAMS

- PUBLIC-PRIVATE PARTNERSHIPS
- BUSINESS DEVELOPMENT PROGRAMS

Financial Services Available to WSMEs

FSPs

| Commercial Banks | NBFIs | Microfinance Institutions |

Risk Capital Providers

| Angel Investor Networks | Venture Capital Investors | Private Equity Investors |

NFS / BDS PROVIDERS

- Banks Providing NFS
- Other Ministries & Agencies
- Industry Associations (Bankers/Microfinance/Fintech/etc.
- Independent Organizations
- National Chamber of Commerce
- University-Led Programs
- Other Stakeholders

Step 2.1: Review online sources to summarize financial products/services offering per provider

Name of the Provider	Type of Provider Commercial Bank, NBFI, Microfinance Institution, Angel Investor Network, Venture Capital Investor, Private Equity Investor	Name of the Program	Brief Description	Type of Support: • Financial • Non-Financial • Both	Key Offerings	Eligibility Criteria and Target Segment	Source

Step 2.2: Review online sources to summarize non-financial / BDS offering per provider

Name of the Provider	Type of Provider	Name of the Program	Brief Description	Type of Support: • Financial • Non-Financial • Both	Key Offerings	Eligibility Criteria and Target Segment	Source

Step 2.3: Review online sources to summarize public programs targeting WSMEs

Name of the Provider	Type of Provider	Name of the Program	Brief Description	Type of Support: • Financial • Non-Financial • Both	Key Offerings	Eligibility Criteria and Target Segment	Source

Step 3: Review step 2 to summarize financial offering targeting each segment

HOW TO?

After completing step 3 of the toolkit, Assess the Demand, this exercise can be done to match demand-side insights on what financial instruments WSMEs within each growth segment are using, what the market provides/avails, and what the opportunities are for better meeting the needs of each segment.

1. Within the existing offering boxes, summarize the offering of loans, bank-provided financial services, equity financing, grants, crowdsourcing and other financial products/services available to WSMEs in each growth segment. Include amounts/relevant numbers, institution names, and eligibility criteria, as applicable.
2. Within the market opportunity boxes, brainstorm the market opportunity based on what is currently available and visible gaps.

	EXISTING OFFERING	MARKET OPPORTUNITY
High Growth >50% growth of annual enterprise revenue		
Moderate Growth 20-50% growth of annual enterprise revenue		
Low Growth <20% growth of annual enterprise revenue		

Step 3: Review step 2 to summarize business support & non-financial services targeting each segment

HOW TO?

After completing step 3 of the toolkit, Assess the Demand, this exercise can be done to match demand-side insights on what business support services WSMEs within each growth segment are using, what the market provides/avails, and what the opportunities are for better meeting the needs of each segment.

1. Within the existing offering boxes, summarize the NFS and BDS offerings targeting each segment of WSME, including capacity building and training, accelerators, incubators, mentoring, coaching, networking, access to information. Include names of institutions and specific eligibility criteria as applicable.
2. Within the market opportunity boxes, brainstorm the market opportunity based on what is currently available and visible gaps. Assessing the demand, which is step 3 of the toolkit, will support with this by providing demand-side insights on what WSMEs within each segment are accessing and where the opportunities are.

EXISTING OFFERING

MARKET OPPORTUNITY

High Growth

>50% growth of annual enterprise revenue

Moderate Growth

20-50% growth of annual enterprise revenue

Low Growth

<20% growth of annual enterprise revenue

TOOLKIT STEP 3:
Assess the Demand: Survey

Why Use This Tool

This tool is a survey that can be downloaded and used by financial sector stakeholders to assess the demand among WSMEs in a specific market. Beyond reviewing the descriptions of the WSME segments and profiles provided in the Report (linked below), it is helpful to survey WSMEs in a certain region to understand nuances in financial behavior and need, business traits, skills, and non-financial support needs. This tool and analysis will help inform financial and non-financial opportunities targeting each segment and profile, and can therefore be used by financial intermediaries and BSOs. Funders and financial regulators may use this survey to determine WSME needs and opportunities in a specific market, before defining interventions and channeling resources.

CLICK:
WSME Segmentation Report

CLICK:
Demand Survey

What are the steps?

1. **Download and review the survey provided** and edit as desired – taking out questions that are not applicable and adding to desired areas.
2. **Input the survey into an online survey tool** – Google Forms, Kobo Toolbox, Survey Monkey or other.
3. **Recruit a sample of WSMEs and collect survey responses** – respondents should be women-owned and/or women-led enterprises of a certain size (revenue/turnover and/or number of employees), based on local definition.
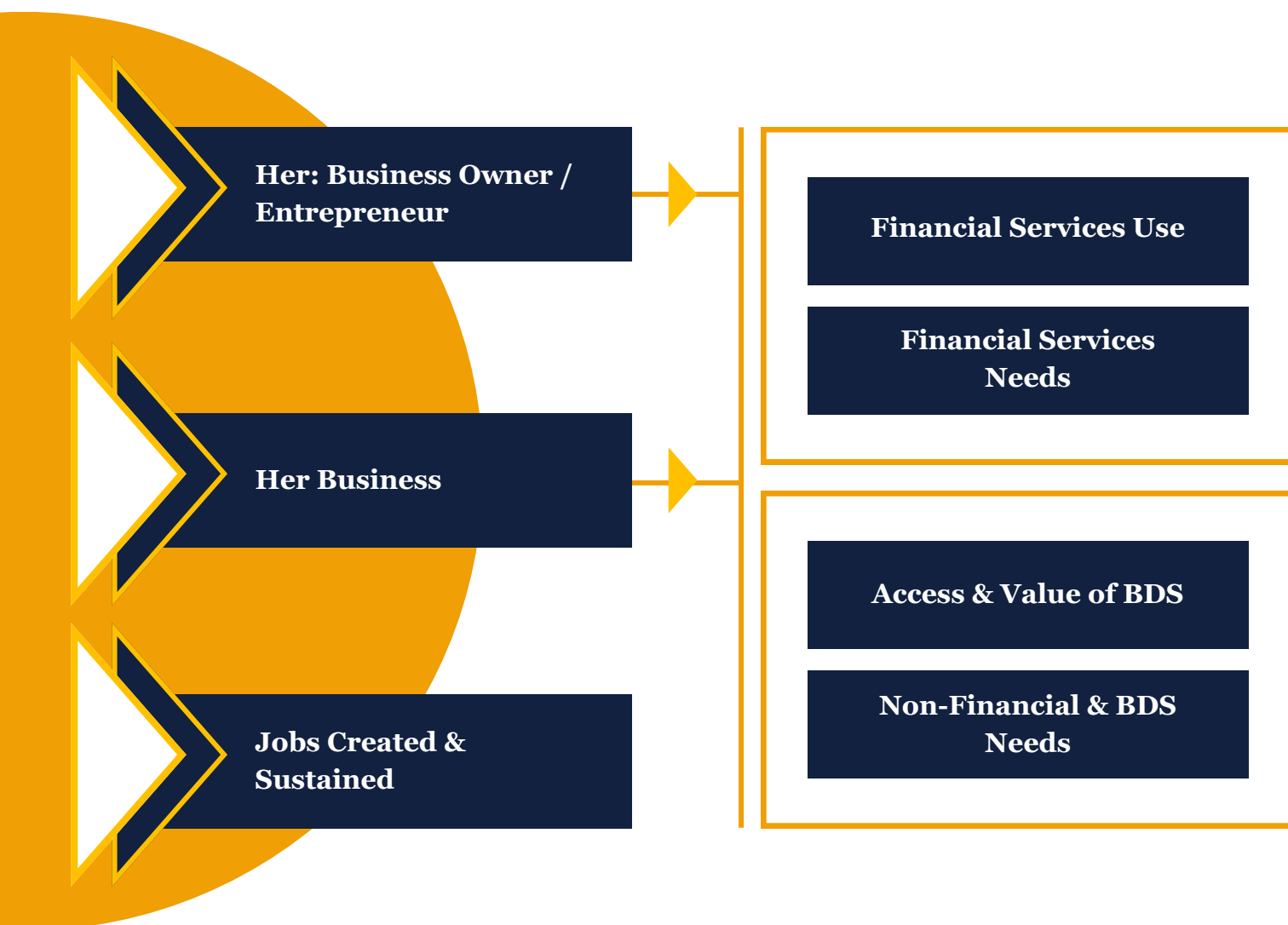4. **Analyze the data** by segment (high, moderate, low) and profile.

ASSESS THE DEMAND

Step 1: Download and review the survey provided

HOW TO?

- The survey includes questions to understand the profiles and personal characteristics of women business owner/entrepreneurs, their business traits, and their businesses' financial and non-financial access and needs.
- You can download the Word version of the survey
- Then, directly edit questions, add, and/or delete questions that are not relevant to you/your institution.
- Note: the "jobs created and sustained" section is mostly relevant for secondary investors that have mandates around WSME's contribution to quality jobs and may not be as relevant to FSPs and institutions investing directly in WSMEs.

CLICK:
Demand Survey

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Her: Business Owner / Entrepreneur

Her Business

Jobs Created & Sustained

Financial Services Use

Financial Services Needs

Access & Value of BDS

Non-Financial & BDS Needs

ASSESS THE DEMAND

Step 2: Input the survey into an online survey tool

There are many different online survey platforms, including Google Forms, Kobo Toolbox, Survey Monkey and others.

Each offer pros and cons. For example, Kobo Toolbox can be completed offline, while many others require stable internet connection.

THINGS TO CONSIDER:

● **Who will be completing the survey?**

Will it be sent out to WSMEs for them to complete on their own or will a researcher complete the responses while interviewing the WSME? We recommend the latter option for highest quality data. If the former, the survey functionality especially matters to avoid user error.

● **Functionality is key to quality data.**

Question and answer logic should be set to eliminate room for error. The survey should be tested by multiple people and tested by following different responses (i.e. conditionality) to ensure proper functionality.

● **What survey tool are the researchers most comfortable with?**

This may inform the selection of the tool.

● **Ensure quality control by reviewing the first batch closely.**

Pause survey collection after 10 or 15 surveys have been completed. Download and closely review each data point / survey response to check that responses are completed accurately and the data is legible. Go back to surveyors to communicate any necessary changes or adjustments in how questions are collected or input.

ASSESS THE DEMAND

Step 3: Recruit a sample of WSMEs and collect survey responses

It may be helpful to work with a local agency to recruit a range of WSMEs, to ensure a non-biased sample, and reach non-clients, in the case of a local financial institution.

REQUIRED CRITERIA:

● **Enterprise is owned and/or led by a woman/women:**

First check if there is a national definition and if so, we recommend using that one. If not, it is best to use the IFC definition, which has most widespread use:
- A) One woman or several women own the majority (i.e. more than 50%) of the company; OR
- B) 20% or more of the company is owned by a woman/women AND there is at least 1 woman as CEO/COO/President/Vice President AND 30% or more of the board of directors is comprised of women (if a board exists)

● **Enterprise meets the set minimum annual revenue threshold:**

Should be based on the national definitions of business sizes, if available. Otherwise, establish reasonable revenue bands based on practice - to exclude micro and instead focus on small and up. For example, in the three pilot countries, CCX used:
- Pakistan: min USD $35,000 annual enterprise revenue
- Uganda: min USD $50,000 annual enterprise revenue
- Colombia: min USD $285,000 annual enterprise revenue

OTHER CONSIDERATIONS

- Be intentional about recruiting WSMEs on different growth pathways (ex. with varying responses to expected annual growth in the next 1 and 5 years) and at different business stages.
- Consider how your sample is distributed across enterprise sectors, geography, business size (annual revenue), level of involvement with financial services and BDS providers, and other criteria. Narrow or make wide according to your focus.
- Assume less than 50% response rate – which will require identifying at least 2x the number of WSMEs that meet the criteria.
- Offering a financial incentive can help encourage participation.
- Ensuring confidentiality is crucial to collect honest responses. Using an independent/third-party researcher helps with this.

ASSESS THE DEMAND

Step 4: Analyze the survey data

● **DETERMINE GROWTH SEGMENTS:**

Using the response to 17a and 17b, the expected enterprise growth (increase in annual revenue) in the next 1 and 5 years, and response to question 16, the business stage, and adjusting for inflation if needed, split the sample by growth segment:
- High growth: >50% growth of annual revenue
- Moderate growth: 20 – 50% growth of annual revenue
- Low growth: <20% growth of annual revenue

● **ANALYZE DATA WITHIN EACH GROWTH SEGMENT:**

Conduct descriptive and/or statistical analysis using every variable collected to understand each segment and their:
- Personal characteristics
- Professional and business skills
- Business traits – including financial & NFS use/needs

Keep in mind the WSME segmentation and profiles, found in more detail in the full version of the Report.

CLICK: WSME Segmentation Report

TOOLKIT STEP 4:
Segment Clients

Why Use This Tool

These Excel tools are to be used by financial intermediaries and BSOs to apply the WSME segmentation to current or future customers. This will enable a better understanding of the financial and business support needs of customers, based on the split of customers across segments and profiles.

The individual questionnaire tool can also be used by WSMEs themselves as a self-assessment, enabling business owners to think through their personal characteristics, business and professional skills, and gaps and opportunities in accessing financial and business support to support their growth.

CLICK: Tool to Segment Wide Sample

CLICK: Questionnaire for Individual Screening

What are the Steps?

1. **Download and apply the desired tool:**
   - **For wider sampling,** download the tool and input questions into an online survey tool (ex. Survey Monkey). The first five questions of the screener classify respondents into a growth category (high, moderate, low). The subsequent questions enable the tool to assign respondents to their respective segments – using weighted scores.
   - **For individual screening**, the tool linked above can be used as a questionnaire. Populate responses to questions. The segment and profile will be determined based on responses. Review insights on the profile.
2. For wider sampling, **enter the collected responses in the 'input response sheet'** - being careful to leave corresponding cells blank for any omitted questions. The tool will automatically assign each survey response to a segment, in column A.
3. For wider sampling, **review segmentation classification** - on the "high-level insights" sheet - the share of customers across each segment and the growth plan data.

TOOLKIT STEP 5:
Conduct Portfolio Analysis

Why Use This Tool

This tool is for financial intermediaries to assess SME client and lending data to see the representation of WSMEs across the portfolio and differences in performance, product uptake, and more. The previous tools segment WSMEs based on growth and entrepreneur profile, enabling deeper insights into financial and non-financial needs. However, these segmentation criteria are not yet available in financial intermediary databases and therefore cannot yet be used for portfolio analysis. Instead, this portfolio analysis tool uses enterprise size to split the portfolio, as size is the most common segmentation criteria currently used by financial intermediaries and is an available datapoint for all SMEs. Conducting portfolio analysis using this approach will enable financial intermediaries to take stock of how they are serving WSME clients and related gaps and opportunities.

This tool assumes that the sex of the enterprise owner(s) and/or manager(s) are available in the database, as that is essential to be able to flag what is a "woman SME" versus "man SME." The following slides detail the steps involved in conducting robust portfolio analysis and the Excel here provides an example using illustrative data, which can be downloaded and manipulated.

CLICK: Excel Example

What are the steps?

1. **Prepare data** on existing SME clients and outstanding loans, and consolidate in one tab for easy analysis
2. **Calculate basic baseline analysis** to detail women versus men SMEs across various dimensions including number of products used, deposits, average length of relationship with the bank and more.
3. **Comparative analysis** - use pivot tables to understand client conversion, lending patterns, and information about risk.

CONDUCT PORTFOLIO ANALYSIS

Step 1: Prepare the data

DOWNLOAD AND CONSOLIDATE ALL DATA ON ONE SHEET IN EXCEL THAT INCLUDES:

1. The list of all small and medium enterprise clients
2. The balances of all outstanding SME loans and deposits

- Ensure all entries for clients have a unique identifier (for example, the bank's internal client ID), and that all entries for loans also have the unique identifier of the client responsible for the loan (based on the borrower). This is essential for being able to link loans and clients and conduct many types of analysis.

- In case the information about age of owners and managers is not expressed in terms of years but with the date of birth, introduce additional columns next to the year column and use a formula to calculate the age in years based on the current date.

- Identify enterprises that qualify as "women SMEs." On the sheet with all enterprise clients, add a new column on the right. Enter an "IF" formula that checks whether EITHER: over 50% of the enterprise is owned by female(s) OR at least 20% of the enterprise is owned by female(s) and there is at least one female female executive manager.

- If the enterprise client sheet contains information about the date or year of foundation, incorporation or registration of the business, add a new column labeled "age of business" next to it. Calculate the age of business by using a formula to detract the foundation date from the current date and dividing the resulting number of days by 365.

- If the client has loans or deposits denominated in currencies other than the local currency (e.g. in EUR, USD) make sure that all foreign currency balances have been converted to local currency. If the bank's system doesn't have the option of showing all outstanding balances in local currency, calculate the respective values in the local currency, based on the current exchange rate provided here: www.xe.com. This can be done with "IF" formulas and multiplication with the respective exchange rates. For loans that are in local currency, multiply the value with 1.

CLICK: Excel Example

CONDUCT PORTFOLIO ANALYSIS

Step 1: Prepare the data

CONSOLIDATE INFORMATION ABOUT CLIENTS AND LOANS INTO THE SHEET WITH ALL CLIENTS BY:

- Adding new columns for each service your institution offers. For clients that use the service listed in the column insert 1, for those that do not insert 0.

- Add a new column that classifies clients into "non-borrowers" (i.e. currently has 0 loans) and "borrowers" (all others with one or more loans). Label this new column "borrowing status." This can be done with an IF function referencing all clients that have loans (have 1 under loans in the previous step)

- Add a new column that shows the current value of the outstanding loans. This could be done by a "SUM" formula of outstanding loan values with an "IF" formula for the rows that contain the clients' unique ID on the sheet with all loans. Make sure to use the values of the column where for all loans the corresponding value is in local currency (not foreign currency, if applicable). Label this column "value of outstanding loans."

- Add a new column that calculates the average of outstanding loan values by dividing the sums with the number of outstanding loans. Label this column "average value per outstanding loans".

- Add a new column that expresses the total outstanding value of loans as a percentage of the clients' total deposits. Label this new column "Loan Exposure as % of Deposits." Use an "IFERROR" or "ISBLANK" formula in the calculation to show "no deposits" for cases where balances in all of the client's accounts are 0.

[CLICK: Excel Example](#)

CONDUCT PORTFOLIO ANALYSIS

Step 1: Prepare the data

COMPUTE ADDITIONAL INFORMATION ABOUT ENTERPRISE CLIENTS:

- Add a new column to introduce age categories for the age of the business. Use a concatenated set of "IF" formulas to introduce the following age groups and label them accordingly in the file: "less than 12 months; 1 to 2 years, 2 to 3 years; 3 to 5 years; 5 to 7 years; 7 to 10 years; 10 to 15 years; 15 to 20 years; more than 20 years."

- Add a new column to introduce size categories based on the number of employees (if available). If there are no preexisting classifications, but you do poses data on numbers of employees, use a concatenated set of "IF" formulas to introduce the following size groups and label them accordingly in the file: "not recorded; 0; up to 2; up to 5; 5 to 9; 10 to 50; 50 to 100; 100 and above."

- Add a new column to introduce size categories based on the revenue (if available). If there are no preexisting classifications, but you do poses data on the reported revenue, use a concentrated set of "IF" formulas to introduce formulas according to the bank or national definitions of size groups.

- Based on the unique client ID, use "IF" formulas to transfer the following information into new columns on the sheet with all loans:
  - Sex of enterprise owner and manager
  - Age cohort of the client
  - Age cohort of the business
  - Size category of the business (employees)
  - Size category of the business (revenue)
  - If information about the original duration (tenor) of the loan is not available, add a new column to calculate it in days
  - Add a new column labeled "NPL status." Categorize information about days the loan is overdue as follows (ex. with concatenated "IF" formulas): 0 days; 0 to 29 days; 30 to 59 days; 60 to 89 days; 90 to 179 days; 180 days and longer.

CLICK: Excel Example

CONDUCT PORTFOLIO ANALYSIS

Step 2: Calculate basic analysis

Calculate the following for all enterprise clients, and separately for women SMEs versus men SMEs, as classified by the preceding preparatory work on the data set:

- Total number of clients
- Total number of borrowers (i.e. has at least 1 outstanding loan)
- Frequency of borrowing (divided borrowers by number of clients among the respective group)
- Average age of all clients
- Average age of all borrowers
- Average number of products used
- Average length of relationship with the bank
- Average amount of deposits

Use pivot tables to depict the percentage split of women and men SME clients into the following:

- By sector / industry (use the sector indication that is comparatively concentrated, i.e. has few categories)
- By size groups– based on number of employees
- By size groups – based on revenue
- Age cohorts for the main manager
- Age cohorts of the business
- Region

Use pivot tables to create overviews of the loan sheet:

- Gender split (women MSME versus men MSME) by type of loan
- Gender split by type of collateral

<u>CLICK: Excel Example</u>

Step 3: Conduct comparative analysis, using pivot tables

For a first round of analysis, create pivot tables that help understand:

● **Conversion of clients into borrowers:** Show the number of "borrowers" and "non-borrowers" expressed as % of the respective total, split into women SMEs and men SMEs (probably as rows of the pivot table, with borrowing status as one level below the sex, i.e. rows underneath them) and the following other criteria (as columns, each criteria covered in one separate pivot table):

- By sector / industry (use the sector indication that is comparatively concentrated, i.e. has fewer categories)
- By size groups – based on number of employees
- By size groups – based on revenue
- By age cohorts for the key person
- By age cohorts of the business
- By region

● **Information about lending patterns:** Use the same approach as above but filter to only show "borrowers" (ex. bringing borrowing status up one level of rows so that sex is underneath and filter "non-borrowers" out). And then show the same kind of criteria as listed in the previous bullet point (i.e. one pivot table each with the respective criteria such as sector in the columns) the following values in the cells of pivot tables:

- Average number of loans outstanding
- Average value of loans outstanding
- Average value of loans at disbursal

● **Information about risk:** Using the loan sheet, create a pivot table that in the columns shows the various categories of "days overdue" and in the respective cells presents the numbers shown as % of the total in the respective row, with the rows covering (each of the bullets below is one separate pivot table):

- Women SMEs versus men SMEs
- Keeping women SMEs versus men SMES but adding as additional levels:
  - Sector/industry (use the sector indication that is comparatively concentrated, i.e. has fewer categories)
  - Size groups – based on number of employees
  - Size groups – based on revenue
  - By age cohorts for the key person
  - By age cohorts of the business
  - By region

CLICK: Excel Example

TOOLKIT STEP 6:
Size the Prospective Market & Determine the Business Case

Why Use This Tool

A detailed excel model that estimates the potential enterprise finance market, including overall demand and specific needs of WMSMEs. It quantifies entrepreneurs, businesses, financial volumes, revenues, and profitability by business size - as business size is the split most commonly used by financial stakeholders.

The tool was initially developed for We-Fi (in partnership with the Financial Alliance for Women) and, as such, provides the option to select from the 30 countries implementing We-Fi Code. The tool is designed specifically for financial intermediaries and funders. The model also aids financial regulators and financial inclusion advocates in evaluating the impact of inclusive finance on economic growth.

> **CLICK:**
> **Excel Model**

What are the steps?

1. **Download the excel tool and choose an approach:** Select a country and define the market scope. Users can either proceed with Base Case Data (pre-set assumptions) or Customized inputs.
2. **Adjust the market conditions:** Modify interest rates, fees, and charges to reflect local realities. The base case settings provide an immediate view of the commercial benefits of inclusive business finance.
3. **Review and analyze market potential:** For those with market-specific insights, the tool allows extensive customization across four business size segments, gender, client numbers, and key financial services.

SIZE THE MAKRET AND BUSINESS CASE

Step 1: Download the Tool and choose an approach

The main purpose of this model is to convey a sense of the overall size of the market for serving women-owned and women-led businesses with a full set of formal financial services and if good practices of inclusive finance allow them to tap their respective latent demand. For example, this market sizing analysis was conducted in the three WSME Segmentation research pilot countries: Pakistan, Uganda, and Colombia. In **Pakistan**, where less than 2% of women enterprises are formal, improved services to WMSMEs could increase financial sector revenues by US$ 257 million (or 6%). In **Uganda** – with 13% of women enterprises operating formally and a growing entrepreneurial culture – the increase could be US$ 277 million or 15.8%. **Colombia**, which has the highest formalization rate among the three countries (64%) could boost banking sector revenues by US$ 1.63 billion, an increase of 9.5%.

GETTING STARTED WITH THE MARKET SIZING TOOL (SHEET 3: "START HERE")

Step #1.1

Select a country from the drop-down menu to view market estimates.

Step #1.2

Choose between **Base Case Data** (default assumptions) or **Customized** (input your own data).
- The model uses base case settings derived from databases and benchmarked assumptions with regards to expected client needs and behavior.
- In this standard settng (i.e. if it says "Base Case Data" in the violet field right below) you can check the assumptions that are informing this model on the "Assumptions used" sheet in the ">>> Key Inputs" sections. This should help give you a sense of whether you feel the model settings are appropriate for what you know/would like to project.

Step #1.3 (optional):

If you wish to override these with your own assumptions, change the setting to "Customized"
- If set to "Customized", adjust as per your available information on the sheet labeled "Segment Information".
- For the "BASELINE" settings, i.e. the current baseline you may use information from demand-side research, statistics or derive assumptions from data of your own institutions about client's use of financial services and adjust these as you would expect your institution's experience to be ahead of or lagging the overall market.
- For the "PROJECTED" settings, these ought to reflect what you have in mind as the potential of the market you are keen to see depicted. The model does not imply any particular timeline for getting to that scenario but rather reflects what the market size would be on an annualized basis once this level is reached.

Step #1.4

Choose segments to include and enter your current and target market shares for each segment.

SIZE THE MAKRET AND BUSINESS CASE
Step 2: Adjust the market conditions

REVIEW AND ADJUST "MARKET CONDITIONS" ASSUMPTIONS (SHEET 9)

- Update the sheet to reflect the current market conditions in your country and assumptions you feel are plausible. Initial settings are for Albania. These very likely will require adjustment to the conditions prevailing in your market at this time.
- The user should hopefully be well placed to adjust interest rates, fees & commissions as well as assumptions related to credit risk to what you observe at your institution or in your local market. The model DOES NOT automatically draw input that is specific to your market but rather is broadly set to the context of a middle-income country with its own currency.
- Parameters that can be changed are marked in BOLD VIOLET FONT AND OUTLINED IN VIOLET.
- PLEASE NOTE that for the proper functioning of the model (functionality to allow country selection), fee and commission amounts as well as insurance premia need to be entered in USD - you can check the correct values in local currency in the lines immediately underneath

Step 3: Review and analyze market potential

REVIEW THE RESULTING MARKET SIZING PERSPECTIVES IN THE SHEETS LISTED IN THE SECTION ">>> KEY OUTPUTS"

Review the resulting Market Sizing perspectives in the Sheets listed in the section ">>> **Key Outputs**" and use them in your strategic decision-making. However, please note that whatever your "Projected" settings, the results present a static perspective of a certain future state of the market you have modeled. When looking at the "Revenues" output, it does already reflect the effect of the (typically) better risk profile that female borrowers have consistently shown around the world as borrowers and not least as business-borrowers.

The results are predicted in three main dimensions, shown on the accordingly named sheets:
1. **Headcount**: the number of women entrepreneurs and women-owned or led businesses in the market (based on IFC definitions*)
2. **Volumes**: the amount of financial needs served currently and in a projected scenario as per the perimeters of this model
3. **Revenue**: the likely (after risk) revenue from serving the estimated volume of financial services under current market conditions, shown in the principal categories of financial needs

All output is shown as split by size categories of the businesses (self-employed and micro <5 employees, very Small <10 employees, small <50 employees, medium 50+ employees) as well as by sex (women/women-led vs other).

*the IFC definition based on considerations of ownership and leadership can be found here.

CLICK:
Excel Model

Stay engaged!

As you use this guide and its tools, we welcome you to submit feedback directly to ConsumerCentriX. The goal is for this toolkit to enhance how direct stakeholders understand, segment, and support WSMEs and their growth. If you have ideas of how to improve the toolkit or questions, please click <u>here</u> to submit.

And for more information on the WSME Segmentation Framework, including the growth segments, entrepreneurial profiles, and opportunities for tailored financial and business support services per segment, please view the full report, linked below.

<u>**CLICK: WSME Segmentation Report**</u>