CONSUMERCENTRIX

WOMEN ENTREPRENEURS FINANCE INITIATIVE

Ministry of Foreign Affairs

# What Enables Her Business to Grow:

## A New Segmentation Framework to Unlock the Opportunity of Serving Women-Owned/Led Businesses in Emerging Markets

MAY 2025

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**Dutch Good Growth Fund (DGGF)**
Established in 2014, Dutch Good Growth Fund - Financing Local SMEs - is an initiative of the Dutch Ministry of Foreign Affairs managed by Triple Jump and Price Waterhouse Coopers (PWC). DGGF deploys investment and technical support to various investment funds and financial institutions in emerging and frontier markets that provide finance to underserved local SMEs that lack a convincing proposition to mainstream investors, often due to a combination of their small size and high risk. DGGF supports research, tests assumptions, and shares insights on financing SMEs in developing countries and emerging markets - fostering industry-wide knowledge exchange.

**Women Entrepreneurs Finance Initiative (We-Fi)**
The Women Entrepreneurs Finance Initiative (We-Fi) is a multilateral partnership, housed at the World Bank, that brings together public and private investments with policy reforms to promote women's entrepreneurship globally. We-Fi's partners include 14 donor governments, six multilateral development banks as implementing partners, and numerous stakeholders from the public and private sectors worldwide. To date, We-Fi has supported 400,000 women-led small and medium enterprises across 83 countries and mobilized $5.3 billion from the public and private sectors, alongside providing training, market access, and policy improvements.

**ConsumerCentriX**
ConsumerCentriX (CCX) is a strategy consulting firm focused on translating human-centered market analysis and industry expertise into strategic insights that are actionable for addressing underserved market opportunities. ConsumerCentriX is led by a team of three partners with extensive professional experience in advising regional champions, global institutions, and multinational groups on market research, segmentation, strategic advisory, and product innovation. Since 2014, CCX has built a strong track record of 50+ projects with commercial banks, regulators, FinTechs, and development actors on inclusive and digital finance, frequently with a focus on entrepreneurs and women.

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# Abbreviations

| | |
|---|---|
| B2B | Business to Business |
| B2B2C | Business to Business to Consumer |
| B2C | Business to Consumer |
| BDS | Business Development Services |
| BSO | Business Support Organization |
| CCX | ConsumerCentriX |
| DFI | Development Finance Institution |
| DI | Direct Investors |
| ESO | Entrepreneurial support organization |
| FSP | Financial Services Provider |
| ICT | Information and Communication Technology |
| HR | Human Resources |
| POS | Point of Sale |
| SACCO | Savings and Credit Cooperative Organization |
| SME | Small and Medium Enterprise |
| WMSME | Women-Owned or led Micro, Small and Medium Enterprise |
| WSME | Women-Owned or led Small and Medium Enterprise |

# I. Executive Summary

Around the world, governments 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-owned/led small and medium enterprises (WSMEs) and take a one-size fits all approach.

To address these gaps, the Argidius Foundation, Dutch Good Growth Fund (DGGF, an initiative of the Dutch Ministry of Foreign Affairs), and the Women Entrepreneurs Finance initiative (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. This report, along with the accompanying toolkit, is intended for financial and non-financial intermediaries, investors, program designers, and donors: these practitioners can use the framework and tools provided to define distinct segments and profiles of WSMEs in emerging markets and design products and services that meet their unique financial and non-financial needs.

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[1]—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 — or factors linked to the entrepreneur's personal and professional traits as well as business characteristics. 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.

Within each of the three growth segments, 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 within the three growth segments 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 apply broadly to each segment as a whole, a detailed breakdown of the specific needs for each profile can be found in the body of the report.

[1] See Annex 1 for full description of the methodology. In summary, quantitative and qualitative research conducted with more than 600 WSMEs in three intentionally diverse developing countries informed the broader WSME segmentation framework, allowing for its applicability to other global markets. Case Studies on Colombia, Pakistan and Uganda are provided in the Annex.

The needs detailed below apply broadly to each segment as a whole, a detailed breakdown of the specific needs for each profile can be found in the body of the report.

## High Growth
>50% growth of annual enterprise revenue

### Profiles

**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.

### Characteristics

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.

### Financial & Non-Financial Needs

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

**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.

### Characteristics

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.

### Financial & Non-Financial Needs

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

**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.

### Characteristics

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.

### Financial & Non-Financial Needs

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.

The scope of this research focused on WSMEs due to their potential for value and job creation and economic opportunities that arise when effectively serving these businesses. Micro, nano, and informal firms were are not included in this research, although some could fall into certain segments, including the low-growth segment.

Market-sizing analysis in the three pilot countries underscores the untapped potential for financial service providers of serving women enterprises. In Pakistan, where less than 2% of women enterprises are formal, improved services to WMSMEs could increase financial sector revenues by USD 257 million (or 6%). In Uganda – with 13% of women enterprises operating formally and a growing entrepreneurial culture – the increase could be USD 277 million or 15.8%. Colombia, which has the highest formalization rate among the three countries (64%) could boost banking sector revenues by USD 1.63 billion, an increase of 9.5%.

The **Toolkit** provides a step-by-step guide for financial intermediaries, funders, and business support organizations to apply the framework to segment and serve the WSME market. This practical resource includes guides and downloadable tools to scan the enabling environment, conduct customer profiling and market analysis, assess demand, and design offerings. The toolkit enables practitioners to design tailored lending and financial products, assess risk and allocate funding to high-potential WSMEs, and develop training and mentorship specific to WSME needs.

**Toolkit Contents and Steps**

### 1. Scan the Enabling Environment

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

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

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 WSMEs needs and opportunities.

### 4. Segment Clients

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

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

### 6. Size the Prospective Market & Determine the Business Case

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

# II. The Case for a New Approach to WSME Segmentation

## From a size-driven approach ...

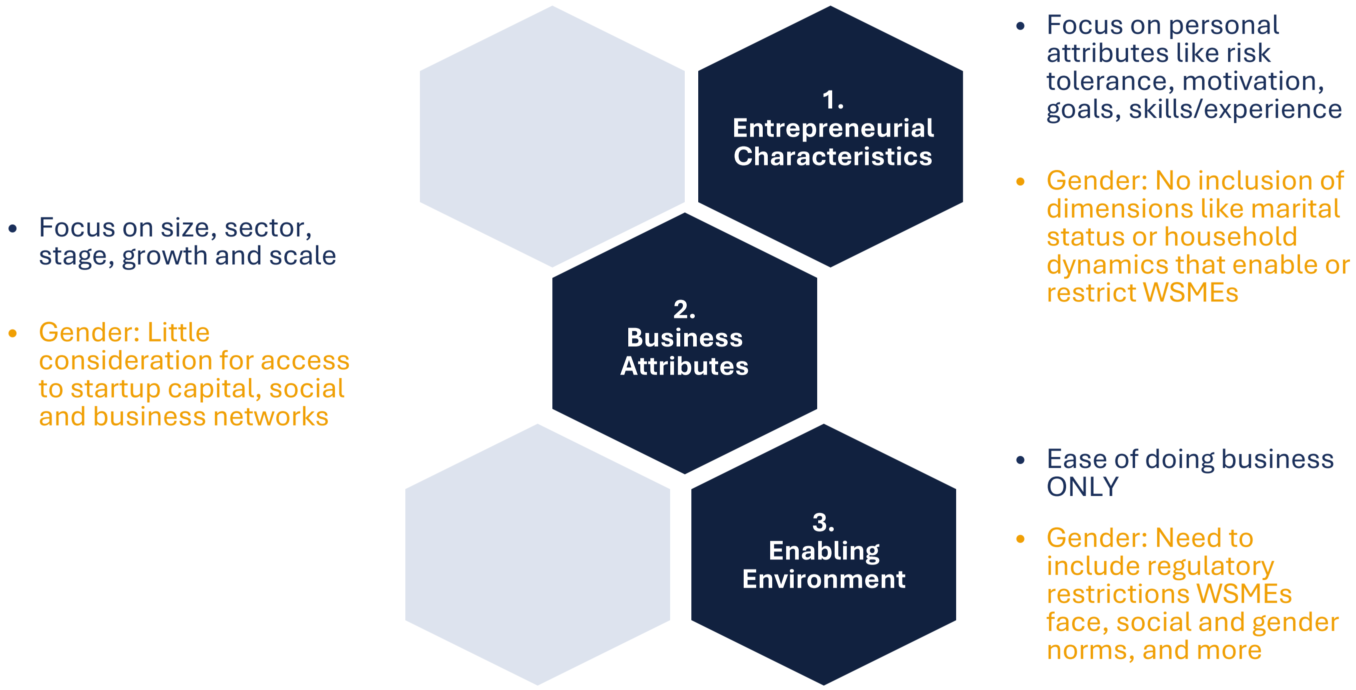
Currently, most practitioners segment WSMEs by enterprise size, by defining micro, small and medium enterprises and then layering on the definition of women-owned/led businesses to identify the proportion of WSMEs within each size segment. This approach fails to account for the diverse profiles and financial and non-financial needs of WSMEs, and therefore the distinct products and support services required for WSME growth.

The research found that the size-driven approach misses key elements across three dimensions:

- **Entrepreneurial Characteristics** – Existing segmentation frameworks consider personal attributes like risk tolerance, motivation and goals, but disregard other factors that are key to understanding women entrepreneurs, including family support, education and business skills.
- **Business Attributes** – Business sector, stage, and growth potential are often considered, but other critical growth enablers such as access to startup capital, prevalence of collateral, sales channel, and business networks are not addressed.
- **Enabling Environment** – If included, there is an over emphasis on ease of doing business to describe the environment and a tendency to overlook regulatory barriers, gender norms, and socio-economic constraints that uniquely affect women entrepreneurs.

### LITERATURE REVIEW

Most segmentation frameworks are gender neutral, focus on one dimension and rarely place the entrepreneur in his/her socio-economic environment




The research also found that existing segmentation frameworks are not widely applied in practice, highlighting the need for a toolkit to help practitioners collect and analyze data to better segment and tailor services for WSMEs.

## … to an inclusive approach to segmentation…

The **WSME Segmentation Framework** was developed through a structured four-phase process, grounded in research across three pilot countries — Colombia, Uganda and Pakistan. These countries were intentionally selected to ensure diverse representation of geographies, demographics, income levels, and economic and regulatory environments, as they each represent very different markets and conditions for WSMEs.

This process involved the following steps:

- A global literature review and consultations with over 30 practitioners, identifying key entrepreneurial, business, and environmental factors influencing WSMEs and highlighting gaps in existing segmentation models. This phase included research on the enabling environment for WSMEs in the three pilot countries. The research builds on earlier segmentation efforts and approaches to define, segment and serve SMEs in emerging markets particularly Missing Middles: Segmenting Enterprises to Better Understand Their Financial Needs, which offers a comprehensive, gender-neutral framework focused on small and growing businesses. The Missing Middles segments enterprises based on market growth and scale potential, product or service innovation profile, and entrepreneurial behavioral attributes such as risk tolerance, decision-making, and motivation. However, this framework lacks variables critical to understanding women entrepreneurs and describing both the entrepreneur and the business.

- Primary research, gathering quantitative and qualitative data from 600+ steady and high-growth WSMEs in each pilot country to better understand the entrepreneurs and their businesses and to develop data-driven segmentation. This included surveys with 200+ WSMEs and in-depth interviews with 30+ WSMEs in each country. Data was collected on entrepreneurial traits, business characteristics, needs and uses of financial and BDS services, and on the jobs created by WSMEs.

### Why the Focus on Formal WSMEs?

This study focuses on formal WSMEs in developing countries — businesses that are officially registered with local authorities and that have a minimum revenue threshold. Across the three pilot countries, Colombia, Uganda, and Pakistan, there are approximately 1.1 million such enterprises. Although formal WSMEs represent a small share of the total women- owned/led enterprise market in each country — 64% in Colombia, 13% in Uganda, and just 2% in Pakistan (see Section VI for more details) — this study's focus on formal businesses is justified by WSME's greater potential for value creation, job generation, and the significant economic opportunities associated with effectively serving this market (also discussed in Section VI). As WSMEs face greater barriers to growth compared to male-led counterparts, it is particularly important to apply actionable data to design targeted interventions to informal address these challenges.

In contrast, women- owned/led micro or nano enterprises in developing countries are typically informal and resilience-oriented: they tend to be very small businesses in rural areas that are led by women with lower levels of education and skills and rely on informal financial sources. Quantifying growth among micro and nano enterprises is more challenging due to a lack of formal accounting procedures. As such, they were excluded from this research, although similarities can be found with WSMEs in the low-growth segment.

For more detailed research on women- owned/led micro and nano enterprises, please refer to CGAP's 2025 study, Gender-Smart Market Mapping for Nano and Micro Enterprises: A Practical Guide.

- Statistical analysis to estimate the number of WSMEs in each pilot country, assess the financial sector market size, and model the revenue potential of effectively serving WSMEs. This phase provided data-driven insights into the economic opportunities of better targeting WSMEs in the pilot markets.

- Synthesis of the findings to create a globally applicable WSME Segmentation Framework, with extensive stakeholder engagement and data validation through co-design workshops. The resulting report and toolkit aim to help practitioners better segment and serve WSMEs.

## ... that enables service providers to better tailor offerings to WSMEs

The **WSME Segmentation Framework** and Toolkit equip stakeholders across the financial sector in developing countries with deeper insights into the diverse growth trajectories, profiles, and needs of women entrepreneurs and business owners—thus facilitating tailored financial and non-financial interventions that represent a more effective resource allocation and improved access to capital for WSMEs. The framework and toolkit are designed as a practical guide for practitioners to identify, target, and effectively serve the unique needs of WSMEs in each segment:

**Funders** —including international, regional, and local development finance institutions (DFIs), multilateral development banks (MDBs), foundations, family offices, and private commercial investors - that provide capital, sometimes alongside technical assistance, to Financial Service Providers (FSPs) and Business Support Organizations (BSOs) targeting WSMEs. Funders will benefit from a deeper understanding of the WSME market from a customer perspective, with insights into financial and non-financial uses and needs, the types of jobs that are created and sustained by the WSMEs, and the market opportunity to effectively serve WSMEs. This knowledge can in turn be used to channel funding to priority needs.

**Financial Intermediaries**, including local FSPs, risk capital providers (ex. VC or PE funds, angel investors), and non-bank financial institutions (NBFIs), directly serve WSMEs, often alongside business support services. The profitability of these organizations is closely tied to WSME growth. Through segmentation, they can better understand their WSME customers, improve product matching, and enhance cross-selling of financial and non-financial solutions. Additionally, they can identify emerging opportunities in the broader WSME market, such as new product needs and support services.

**Business Support Organizations (BSOs)**, including government agencies, non-profits, and private institutions, play a crucial role in supporting WSMEs before, during, and after financing. Their services —ranging from mentorship and business training to skill development, market access, and capital-seeking assistance—are essential for entrepreneurial success. Segmentation allows BSOs to develop a deeper understanding of WSME profiles, growth trajectories, and specific non-financial support needs.

By implementing a more refined and gender-sensitive segmentation approach, all stakeholders can enhance their strategies, improve resource allocation, and ultimately drive sustainable growth for WSMEs.

# III. The WSME Segmentation Framework: an Overview

## Defining the key segmentation variable: expected growth

Focusing on formal WSMEs – defined as WSMEs that are registered with the local authorities – the research identified the most significant way to group WSMEs. It also identified a set of key 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.

Based on statistical analysis of quantitative and qualitative data collected from WSMEs in the three pilot countries, expected enterprise growth rate emerged as the most significant way to group businesses. Growth is expressed as the expected percentage increase in annual revenue over the next five years. Statistically this was substantiated by data on entrepreneurs' aspirations for annual growth from year to year, which correlated with other variables collected via surveys on past enterprise growth and the entrepreneur's self-assessed business stage.[2] Unlike the Missing Middles model, which uses entrepreneurial and business traits as defining variables for segmentation, the WSME Segmentation Framework uses these traits as factors that influence growth within each segment. [3] One key advantage of using expected growth as the defining variable is that it is a quantifiable, actionable measure that is easy to track.

Expected growth is therefore used as the key dimension for WSME segmentation, with three growth segments identified:

- High Growth, >50% annual enterprise growth over the next 5 years
- Moderate Growth, 20-50% annual enterprise growth over the next 5 years
- Low Growth, <20% annual enterprise growth over the next 5 years

This segmentation meets the overall goal of developing an actionable segmentation framework that is logical, simple, and based on easily collected data.

## Key enablers of WSME growth

Statistical analysis of the survey data revealed key factors that influence whether a WMSE achieves high, moderate, or low growth. These factors, referred to as the **15 business growth enablers**, fall into two main categories: the characteristics of the entrepreneur herself and the structural and operational characteristics of her business. Understanding these enablers provides insight into the specific capabilities, supports, and business models that are most associated with successful scaling, and helps practitioners design more targeted interventions.

[2]The question included in the survey conducted with over 600 WSMEs that pertains to expected annual enterprise growth is: By how much do you aspire to grow your business within the next 12 months (as a percentage of current annual revenue)? The same question was asked about the next five years, to check if the reported state of growth would remain consistent beyond one year from the present day. ConsumerCentriX's statistical team proved the validity of growth rate as the key variable by testing its correlation to other variables collected via the survey: the past enterprise growth, and the entrepreneur's own interpretation of her business stage.

[3]While expected growth often correlates with enterprise size — as larger businesses typically have more resources to invest in expansion — relying on size as a segmentation variable can be problematic. Size-based segmentation does not adequately capture a business's future potential or ambition and can overlook small but fast-growing enterprises, such as start-ups. It can also misclassify enterprises, such as cooperatives, that are large but are organized around serving members rather than pursuing expansion. It also fails to consider other barriers and enablers to growth, including an entrepreneur's business skills and utilization of technology, for example.

## Entrepreneur Characteristics

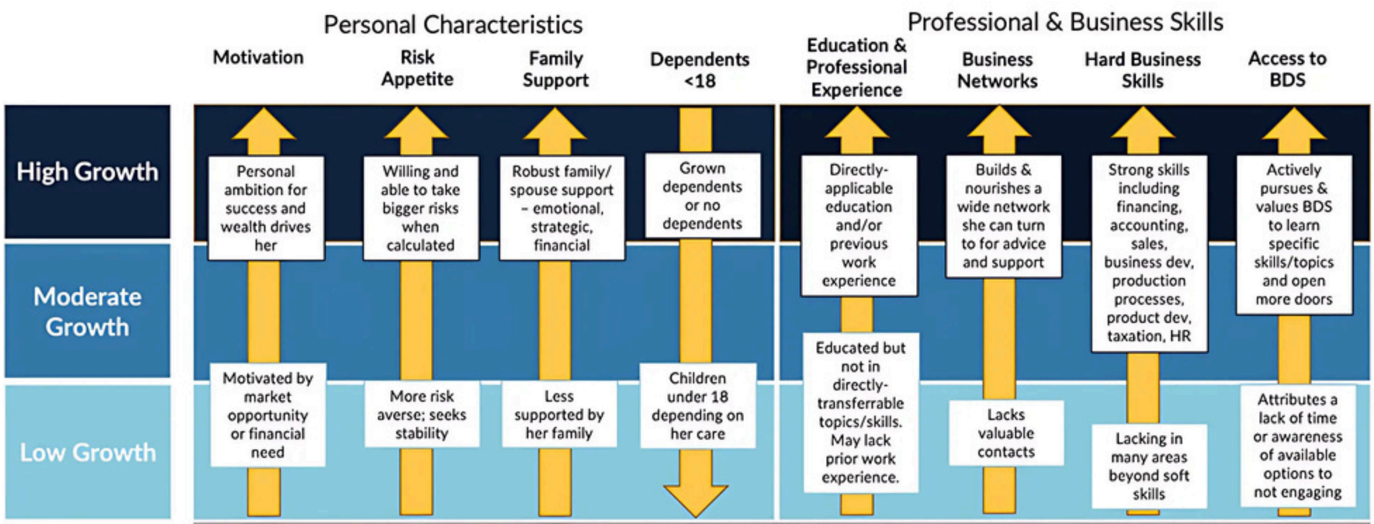
**Personal Characteristics** include:

- **Motivation** – high-growth WSMEs are driven by personal ambition for success and wealth, while moderate and low growth WSMEs are motivated by market opportunities or financial necessity.
- **Risk appetite** – high-growth (and some moderate growth) entrepreneurs willing and able to take calculated risks, whereas low growth WSMEs tend to be more risk-averse (or less able to take bigger risks) and instead prioritize financial security.
- **Family support** – women who enjoy emotional and financial backing from their families or spouses are more likely to scale their businesses successfully. This factor is critical in countries with restrictive social norms—such as those with a strong "machismo" culture or where women's primary role is traditionally seen as caretakers.
- **Dependents under 18 years of age** – women entrepreneurs who have adult children or no dependents generally facing fewer constraints. This dynamic is especially relevant in countries like Pakistan, where social norms dictate women's primary role as mothers. However, it does not have to be determining factor, as evidenced by the fact that a majority of high-growth WSMEs surveyed in Pakistan are led by women with dependent children.

**Professional and Business Skills** include:

- **Education and professional work experience** – entrepreneurs with an education degree and prior work experience are better positioned for success and are more likely to possess transferable skills. In countries with lower female labor force participation (like Pakistan), prior professional experience is often a necessary prerequisite for women to start a business.
- **Business networks** — high-growth entrepreneurs and some moderate growth women actively build and nurture strong professional relationships that provide guidance and support, whereas those in the low growth segment lack these valuable connections.
- **Hard business skills** – skills such as financing, accounting, sales, product development, taxation, and HR, are strong differentiators between high/moderate and low-growth entrepreneurs, as the latter lack expertise in these critical areas. In many countries these skills are acquired over time through vocational training and BDS providers.
- **Access to business development services** – high- and moderate-growth entrepreneurs actively seeking and valuing BDS to acquire skills and unlock opportunities, while low growth entrepreneurs do not engage due to time constraints or lack of awareness. BDS is especially critical in countries like Uganda, where entrepreneurship is often a woman's first work experience.

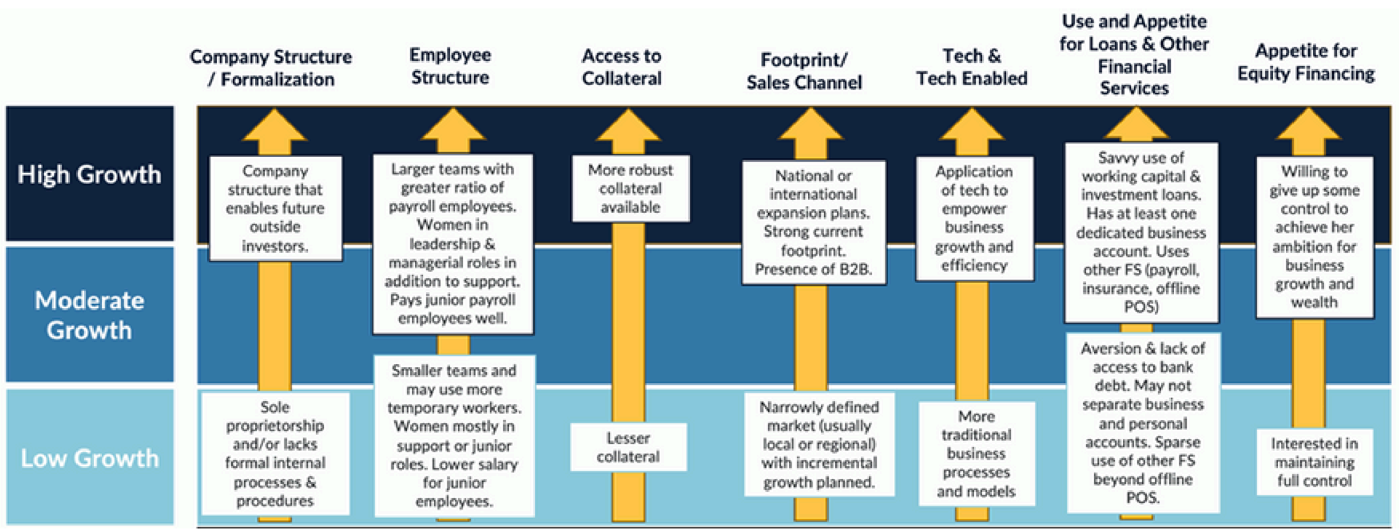
**Key WSME Business Growth Enablers: Her Personal Characteristics and Professional & Business Skills**



**Business traits** include:

- **Company structure and formalization.** High-growth businesses tend to have a formalized structure that supports future investment, and some moderate-growth businesses may also be well positioned for scalability. In contrast, low-growth businesses often operate as sole proprietorships, with minimal internal processes, making them less attractive to banks. Countries with a business-friendly environment, such as Colombia, tend to have more formally structured companies, even in the low-growth segment.
- **Employee structure.** High-growth and many moderate growth WSMEs employ larger teams with a higher proportion of payroll employees, often including women in leadership and managerial roles. Moderate-growth businesses may rely on structured teams but incorporate more temporary or lower-paid workers. Low-growth businesses generally have smaller teams, rely more on temporary workers, and pay lower salaries, with women primarily in junior or support roles. In countries with higher GDP but skilled labor shortages, the use of temporary employees is more prevalent.
- **Access to collateral.** High-growth businesses tend to have robust collateral, enabling them to secure better financing options. Moderate-growth businesses may have some collateral but face challenges in obtaining funding, while low-growth businesses struggle with limited collateral, restricting financial flexibility.
- **Market footprint and sales channels.** High-growth businesses often have national or international footprint and expansion plans and a strong presence in B2B markets, often in addition to B2C, as do some moderate-growth businesses. In contrast, low-growth businesses typically operate in narrowly defined regional or local markets, expanding incrementally.
- Technology in business operations distinguishes different growth segments, based on the degree to which they are **tech and tech enabled.** High-growth businesses actively integrate technology to enhance efficiency and scalability. Moderate-growth businesses use technology in a more limited capacity, while low-growth businesses continue to rely on traditional business models with minimal technology adoption. In countries with underdeveloped digital infrastructure, technology adoption tends to be lower.
- **Appetite for loans and financial services.** High-growth businesses effectively utilize formal working capital and investment loans, maintain at least one dedicated business account, and engage with financial services such as payroll, insurance, and offline POS systems. At the other end of the spectrum, low-growth businesses generally avoid bank debt, do not separate business and personal finances, and rely on basic financial transactions. The distinction is not as marked in countries with less developed financial markets like Pakistan.
- **Appetite for equity financing.** High-growth and some moderate-growth entrepreneurs are typically willing to relinquish some control in exchange for equity financing to drive business expansion, while low-growth entrepreneurs prefer to retain full ownership, and therefore avoid and are not attractive to external investors.

**Key WSME Business Growth Enablers: Business Traits**



### Critical Gendered Enablers

While the research did not cover male owned/led enterprises, by pulling from the vast bodies of research and decades of experience in the field, a number of conclusions can be made on the key business enablers that are more applicable to women than men.

**Care responsibilities** and domestic work (including childcare and elder care), for which women spend nearly three times the amount of time as men, may limit the amount of time women can dedicate to their business. These women are more likely to operate their business from home – all factors that are likely to hinder business growth. **Family support** is an especially important enabler of women entrepreneurs, especially in countries with conservative gender and social norms.

Studies show that women typically have smaller, less diverse **networks** than men, often composed primarily of other women. For this reason, many BDS providers incorporate networking opportunities into their programs, to help women entrepreneurs build connections for business advice and support. **Access to collateral** is another gender-specific growth enabler: in many developing countries, social norms and, in some cases, legal restrictions limit women's ownership or inheritance of assets. With less collateral, women face greater barriers to accessing finance compared to their male counterparts.

## Other Factors that don't significantly drive WSME growth

The analysis that led to the identification of the 15 key WSME business growth enablers also revealed a number of factors that do not vary meaningfully across high-, moderate- and low-growth enterprises. These factors include certain personal characteristics of the entrepreneur, structural features of the business, and broader environmental aspects.

**Factors That Don't Seem to Differ by WSME Segment**

| Factor | Age | Marital Status | Geographic Focus | Family Business | Sector | Business Model | Share of Women Employees |
|---|---|---|---|---|---|---|---|
| Comments | No significant differences across growth segments. | *Married/ partnered, single, widowed, separated/ divorced.*<br><br>Varies across countries but no significant differences across growth segments.<br><br>Instead, support matters: from her spouse/partner or from her family if not married/ partnered. | *Urban, semi-urban, rural.*<br><br>Primary agriculture was not a focus of this research.<br><br>Across countries, heavier proportion of urban or semi-urban with no growth segment differences. | Family businesses are present in all growth segments, with greater percentage in Colombia (52%) compared to Pakistan or Uganda (22% and 23%).<br><br>However, the legacy building profile is marked by a greater share of family businesses or businesses that will be passed on to family. | *Retail trade, E-commerce, Wholesale trade, International trade, Manufacturing, Services, Construction, Agriculture/ forestry/ fishing, Tourism & hospitality, Telecommunications, Education, Transportation/ logistics, IT & digital space, Technology, Financial services, Energy & utilities, Renewable energy & energy efficiency, Entertainment, Other*<br><br>Greater tech-based or tech-enabled enterprises in high growth and they tend to be vertically integrated, especially in Pakistan. Otherwise, high, moderate and low growth enterprises can be found in every sector. | *B2C, B2B, B2B2C*<br><br>Varies more by sector than growth segment. | Varies by sector – ex. not as many women in construction or manufacturing.<br><br>The types of jobs women do –managerial/ leadership, operational, support – do vary based on growth segment. |

The woman entrepreneur's **age** and **marital status** are two factors that showed some variance across countries but did not exhibit significant differences across growth segments: the average age was rather uniform across growth segments, and marital status (whether a woman was married or partnered, single, widowed, separated or divorced) also tended to be evenly distributed across segments. A more important variable in this area is represented by the existence of support from the spouse or partner, or from family in the case of women who are not married or partnered.

Whether or not the WSME is a **family business** was not a significant differentiator, as family-run businesses were present across all growth segments. However, legacy building entrepreneurs within the high-growth segment do include more family businesses or women who plan to pass their business on to the next generation.

Similarly, the split of WSMEs' **geographic location** is relatively equal across growth segments, although it is important to note, this research did not focus on rural and agricultural areas and therefore the geographic locations are described as urban and semi-urban.

The **enterprise sector** is another factor that does not represent a major differentiator. The analysis covered a broad range of sectors including trade, manufacturing, services and professional sectors, infrastructure and energy, agriculture, forestry and fishing, tourism and hospitality, transportation and logistics, IT and digital space, and technology. In general, high, moderate and low growth enterprises can be found in every sector, with greater representation of tech-based or tech-enabled enterprises and a higher use of vertical integration among the high growth segment.[4]

The **business model** – B2C, B2B, B2B2C – showed a greater variance by sector than by growth segment. The **share of women employees** also varied more by sector, as shown, for example, by the smaller representation of women in construction and manufacturing. However, the types of jobs in which women engage vary across growth segments: in high growth WSMEs women tend to serve in leadership and essential operational roles, while making up a small share of the payroll, while in moderate growth WSMEs women dominate the workforce but their roles vary, depending on the sector. In low growth WSMEs make greater use of temporary employees and women tend to play a supportive role, with relatively few women found in managerial or leadership roles.


[4] It is important to note that while this research revealed geographic location and enterprise sector to not be significant defining variables across growth segments, they may have an influence on WSMEs' ability to grow in certain markets. For example, WSMEs in more remote areas likely face challenges in accessing finance or BDS – more so than WSMEs in urban areas. Given the importance of access to finance and BDS to growth, there is likely an effect that merely did not play out in this research, especially because the research did not deep dive into rural areas. Regarding enterprise sector, various studies show that WSMEs are often found in low-margin "female-dominated" industries (e.g., retail, education, social services, tourism etc.), which tend to be more competitive, hence with lower profits and growth potential. This research intentionally recruited WSMEs from a variety of sectors in each market, instead of digging deep into one or two highly competitive sectors to explore barriers for growth.

# High, Moderate and Low Growth Segments: General Characteristics

Drawing on the different realities of the three pilot countries, the analysis paints a picture of the general characteristics of high, moderate and low growth WSMEs globally. Growth trajectories are influenced by personal, financial and environmental circumstances, and are associated with a different range of financial and non-financial needs. High-growth WSMEs aggressively scale their businesses with strong networks, financial backing, and digital tools, while moderate-growth WSMEs take a more measured approach, balancing aspirations with resource limitations. In contrast, low-growth WSMEs tend to prioritize financial security and independence and face structural challenges that limit expansion.

## High growth  >50% growth of annual enterprise revenue

The woman leading a high-growth WSME is an ambitious risk-taker with strong business acumen. She often benefits from emotional and financial support from her family. When needed, she skillfully juggles dependent care with business responsibilities, relying on support from her family along the way. Her business operates in national and international markets, employs skilled full-time staff, and is highly digitized. She has access to advanced financial services and management tools, is experienced with formal lending, and seeks loans for expansion—potentially willing to relinquish some control to the right partner. Equipped with hard business skills, she maintains strong professional connections, an extensive advisory network, and actively engages in business support programs.

### High Growth

**Her:** Ambitious entrepreneur who has skills, knowledge and support to empower her to (at times) take big risks. She has strong business skills through education & previous work and continuously prioritizes personal development.

**Family:** She has her family's emotional and often financial support. She is not weighed down by care of dependents – often with grown children.

**Her business:** Many are LLCs or other forms of companies; the remainder are sole proprietorships.

**Industry & Sales Channel:** Services or trade plus large-scale manufacturing of high-demand/scalable products. Vertical integration is common. Most are B2C but more likely than other segments to be B2B. Most likely to have national or international sales.

**Collateral:** More robust collateral available: fixed & movable assets, savings/deposit balances, contracts from reputable business partners, invoice receivables

**Jobs:** Larger teams with levels of managerial and skilled workers. Lesser use of temporary workers. Women in leadership and essential operational roles but overall lesser percent of payroll. Aggressive hiring plans.

**Tech:** High level of digitization and tech-enabled businesses (ex. e-commerce for selling beauty products or services like hospitality) and tech use for scalability and operational efficiency.

### HOW SHE CURRENTLY COPES: Financial

- Regularly reinvests profits to expand operations, purchase equipment or hire skilled staff.
- Uses dedicated business accounts and a variety of bank services, especially online and offline POS systems, bill payments, accounts receivable collection, online tools for financial management, and insurance.
- Her business is likely to use overdraft facilities and business credit cards for working capital needs – and is interested in exploring working capital financing options.
- Creative in sourcing funding – including grants (especially in Pakistan), prize money, and informal/private networks lenders.
- She has experience with formal lending and interest in obtaining a loan in the future, especially for large-scale expansion. Will shop around for best rates and terms that work for her specific need.
- May be willing to give up some control of her business to achieve her vision, but only if strategic alignment is there.

### HOW SHE CURRENTLY COPES: Non-Financial

- Along the way, she has built a strong and wide network that she turns to for advice and support and she is continuously making lasting professional connections.
- She has acquired hard business skills along the way through advanced education, previous work experience, and entrepreneurial capacity building and training.
- She is eager to expand and deepen her skills and knowledge and pursues available business/professional support programs.
- She has prioritized training/ capacity-building – especially on digital marketing, customer relationships and financial management – and she is most likely (compared to other segments) to have participated in mentoring, coaching, accelerators and/or incubators.

## Moderate Growth, 20-50% growth of annual enterprise revenue

The moderate-growth WSME is typically run by a competent yet cautious businesswoman with prior work experience who balances risk with measured growth. She may have family support but often lacks personal resources and faces constraints from care and household responsibilities. The business is usually a sole proprietorship with a modest team, moderate hiring plans and limited use of digital tools. She relies on a dedicated bank account and basic online management services, reinvesting profits while being hesitant about external loans, and is generally uninterested in equity financing. She builds lasting relationships but lacks an extensive business network. She seeks to strengthen her business skills through formal education and experiential learning and is interested in business development support programs.

### Moderate Growth

**Her:** Competent but cautious businesswoman, who is motivated by autonomy and innovation around a market opportunity. She worked before starting her business, although not necessarily in a transferrable field. She takes calculated risks and emphasizes strategic, measured growth.

**Family:** Her family and/or spouse support her as a business owner and are aligned, but many do not have family funds to invest in the business. In many cases she is the main income earner in the family. Many are balancing her business with taking care of children.

**Her business:** Sole proprietorships or LLCs / companies

**Industry & Sales Channel:** Most likely to be in trade or services, often B2C. Strength in local and regional markets.

**Collateral:** Movable and fixed assets are most common forms of collateral. Some have no collateral, depending on the sector.

**Jobs:** Moderate size teams with low use of temporary staff. Women dominate workforce but varies based on sector. Modest future hiring plans, consistent with her steady but measured growth plans.

**Tech:** Moderate use of digital tools - especially cost-effective and accessible tools that support her business operations.

#### HOW SHE CURRENTLY COPES: Financial

- Many have dedicated business bank accounts. Those that do likely use basic banking services including bill payment, online POS system(s) and/or support with accounts receivable collection.
- She is seeking to balance her business aspirations with practical, resource-conscious plans for expanding her business' market presence.
- She reinvests money into her business to spend and invest on growth plans – instead of taking loans.
- She cites inflexibility in payment plans, high interest rates, and a variety of other reasons for not taking loans. However, many plan to or are open to taking a loan in the next 3 years.
- She wants to maintain full control of her business and does not plan to equity finance.

#### HOW SHE CURRENTLY COPES: Non-Financial

- She might lack a good network of people she can turn to for business advice and support, but she is skilled at establishing lasting relationships - if she applies herself.
- Her hard business skill are average, acquired through formal education (although notably, formal education better prepares employees than entrepreneurs) and learning along the way.
- When she encounters a gap, she turns to the internet or finds a local or online training or course she can do in whatever time she can spare.
- She is not likely to access business support programs beyond business trainings or capacity building programs. But those who do find them very valuable and are hungry for more.

## Low Growth, <20% growth of annual enterprise revenue

The low-growth entrepreneur is often running her venture as a sole proprietorship, motivated by financial independence and the need for income, as she is often the primary provider and caregiver for her family. Her business operates with a small team and makes minimal use of digital tools. She takes a cautious approach to financing, prioritizing reinvestment of profits over external funding. Without family resources or collateral for formal lending, she often manages finances through her personal bank account and struggles to access bank financing, relying primarily on informal lending sources. She faces skill gaps in key areas and lacks access to business support programs and strong business networks, instead likely depending on family members with business experience.

## Low Growth

**Her:** A small-scale entrepreneur motivated by financial independence/autonomy and the need for income. Her business is often her first professional experience. She shies away from risk and uncertainty because of the high cost of failure.

**Family:** She often has a family that is skeptical of her business – which emphasizes her preference for financial stability and low risk. Most lack family resources to support her business and she is the main provider for her family. She often has dependents under the age of 18.

**Her business:** Primarily sole proprietorships

**Industry & Sales Channel:** Local or regional sale of products, in some cases that she manufactures via small-scale production. Some local services, especially beauty & food services. All B2C.

**Collateral:** Modest collateral – mostly fixed & movable assets but not sufficient for asset-backed lending. Many have no collateral. Most started their business with no assets.

**Jobs:** Greater use of temporary employees; small team of payroll employees. Women play a supportive, not managerial or leadership role - depending on the sector. Modest hiring plans reflect cautious growth.

**Tech:** Minimal use of technology or digital tools due to complexity, limited resources, and preference for traditional methods.

### HOW SHE CURRENTLY COPES: Financial

- She takes a cautious approach to business financing – reserves profits for operational costs/ emergencies.
- She focuses on consistent daily operations and management leading to incremental progress.
- Bank loans are not accessible to her business due to collateral and financial history requirements and high interest rates. But also, there are demand-side barriers: she feels uncomfortable, doesn't believe in taking loans, and in countries like Pakistan, her spouse wouldn't allow it.
- Those who have existing loans borrow in smaller amounts – most likely with SACCOs, informal VSLAs, moneylenders – instead of banks.
- Most run her business out of a personal bank account, using only online banking.

### HOW SHE CURRENTLY COPES: Non-Financial

- Most lack a good business network of people she can turn to for advice/support.
- She has gaps in hard business skills, especially accounting and cash-flow management, sales, business development and taxation. She is mostly self-taught but often learns from family members who are business owners.
- She lacks access to business support programs beyond trainings and academic programs/ certifications – especially focused on topics related to formalizing her business. Those who do participate find all business support programs very valuable and are hungry for more.

## Jobs Created and Sustained by WSMEs

The research conducted in the three pilot countries to inform the WSME Segmentation Framework explored jobs created and sustained by WSMEs. An analysis of data from a sample of 609 WSMEs in Pakistan, Uganda and Colombia revealed the following trends:

- **WSMEs hire a greater percent of women employees.** In Colombia, 63% of full-time employees are women and in Uganda and Pakistan, more than half are women (56% in Uganda, 52% in Pakistan). This is consistent with other industry research, including the World Bank Enterprise Survey data, showing that companies with women as top managers have a higher proportion of women in their workforce: 29% more in Colombia (2024), 42% more in Pakistan (2022) and 164% more in Uganda (2013).

- **A large majority of WSMEs (80%) consider women crucial to their future employee structure** which indicates women entrepreneurs' intentionality around hiring and sustaining an enterprise run in large part by women.

- **There is a linear relationship between the growth segment and the average number of payroll employees hired by WSMEs**, with high-growth WSMEs employing larger teams (15 to 20 plus) and low-growth employing smaller teams (less than 10, often closer to 5).

- **Use of temporary employees depends on the country's labor markets and also the sector, which is not a descriptor of growth segments.** In Colombia and Uganda, high-growth WSMEs use more temporary workers and the fluctuations from good to low months are the greatest among high-growth WSMEs. But in Pakistan, high-growth WSMEs use fewer temporary workers and more payroll employees – possibly because labor is cheaper than in other markets – and low-growth WSMEs use the greatest number of temporary workers, with the greatest range from good to poor months.

- **Economic downturns or uncertainty in the country will temper future hiring plans** – like in Colombia, where a lesser percent of WSMEs report plans to hire more payroll employees in the future and the number of payroll employees the plan to hire is lower, across all segments. Instead, there is a preference for using temporary workers, allowing them to keep fixed costs low and be nimble to market changes.

- **Some job details vary more by enterprise sector or industry than by growth segment** – including the ratio of skilled to unskilled workers and professional development or skill building opportunities provided to employees. Labor market sophistication and availability of skilled workers also impacts these dynamics.

# Six Profiles: the forces driving WSMEs in each segment

Through statistical cluster analysis, two distinct profiles were identified within each of the three growth segments. **These profiles are best described as the motivating forces driving the entrepreneur at each stage of growth.** By pinpointing the motivating force that drives the entrepreneur, service providers gain deeper insight into the entrepreneur's personal and business characteristics and are able to tailor financial and non-financial offerings to her specific needs and motivations.

Within the High Growth segment, entrepreneurs are primarily motivated by **Wealth Creation** or **Legacy Building**, indicating a strong ambition to scale their businesses either for financial success or long-term sustainability. In the Moderate Growth segment, the focus is on **Aspired Expansion** or **Stability**, reflecting a strategic but controlled approach to scaling, often influenced by external opportunities. In the Low Growth segment, the motivating forces are focused on **Livelihood**, prioritizing balance and financial security over expansion, or expressed as **Survival**, meaning they started their business due to financial constraints.

**Growth Segments & Profiles by Driving Force**

| | | |
|---|---|---|
| **High Growth** *>50% growth of annual enterprise revenue* | **Wealth Creation** Prioritize aggressive revenue generation and are open to give up some control of the business with the right partner. | **Legacy Building** Prioritize creating enterprise value that will remain within the family or be passed on to the next generation. |
| **Moderate Growth** *20-50% growth of annual enterprise revenue* | **Aspired Expansion** Seasoned entrepreneurs, equipped with skills and networks, who aspire to greater expansion. | **Stability** Prioritize stability over wide expansion, leading smaller teams in local markets. |
| **Low Growth** *<20% growth of annual enterprise revenue* | **Livelihood** Focus on ensuring steady income from her business to provide for her family and sustain livelihood. | **Survival** Operating with significant financial and resource constraints, out of necessity of income for her and family. |

### Where do Social Enterprises Fit?

Social enterprises, or businesses that prioritize achieving a social or environmental mission alongside profit, can be found in various WSME segments, but especially within the moderate growth segment (Aspired Expansion and Stability) or the low growth segment (Livelihood). Social enterprises in developing countries tend to operate within their locality. As an example, the research included several enterprises dedicated to new models of education that provide scholarships to lower-income families. These enterprises often give back a percentage of their profits to local causes, and invest in their employees through capacity building, support with health expenses and other basic needs.

## High Growth Segment

## Wealth Creation vs. Legacy Building

The key distinction between these two profiles lies in the appetite for risk and approach to business growth. Wealth Creation entrepreneurs are motivated by profit, are willing to take bold risks for high rewards, and are interested in obtaining equity financing. Legacy Building entrepreneurs on the other hand show less appetite for risk and want to keep the business in the family and therefore are not interested in outside investors. Wealth Creation WSMEs tend to be more technologically sophisticated, and they are supported by wide and diverse business networks, whereas Legacy Building Entrepreneurs' business networks tend to be locally based and can include family members involved in the business.

## Services tailored to Wealth Creation WSMEs

Financial services: The Wealth Creation entrepreneur is comfortable managing multiple bank accounts and accessing a range of financial services. She plans to request additional loans for working capital or long-term investments and is willing to give up control of the business if she finds the right investor, one who is aligned with her vision for growth. She will benefit from:

- Connections to equity investors aligned with her business goals and stage of growth for exploration of partial investment.
- Access to affordable long-term loans and quick/easy working capital and short-term financing.
- Sophisticated business banking services – including export/import facilities, overdraft facilities, LOCs and insurance products.

Non-financial services: The Wealth Creation entrepreneur is likely to have a higher educational degree and work experience prior to starting her business (including previous entrepreneurial experience). She possesses hard and soft business skills, as shown by her competence in managing a team and finances as well as in building relationships and conducting negotiations. She often has already accessed business support services, and will benefit from these offerings to achieve her expansion plans:

- Accelerators to support rapid expansion, nationally and internationally – especially access to markets, navigating regulatory and legal barriers, taxes and bureaucracy.
- Investment readiness programs.
- Connecting with other entrepreneurs in a similar stage of growth.
- Continuous mentoring or coaching with an experienced high-growth entrepreneur.
- Specialized consultants and technical assistance throughout accelerated growth.

**Wealth Creation Entrepreneur, Uganda: Angella**

Angella started Forna Health Foods Limited in 2014, with savings and family support, after noticing the lack of quality baby food products. Her company manufactures and sells nutritional products through a variety of channels across Uganda. With a background in business administration, she expanded the business to employ 15 staff and plans to expand to other East African markets. Angella switched to business banking and secured bank loans to grow her company, and also joined an accelerator program to strengthen strategy and connect with peers. She seeks funds to establish her own manufacturing plant and expand internationally. Having sold a 25% stake in her company to an equity partner, she seeks additional equity financing while retaining control of the business. She is interested in online learning, including an Executive MBA.

**Wealth Creation Entrepreneur, Colombia: Sandra**

Sandra left a career in public administration eight years ago, motivated by the financial opportunity of owning and running her own real estate enterprise. She launched her business with an initial investment of funds she set aside from her salary and financial support from her partner, who is also an entrepreneur. She has 10 payroll employees and focuses on Medellin; her plans are to expand in the north of the country with a second team in the next five years. As a service business, her business owns few assets but she does have a few company vehicles, computers and furniture (office space is rented). The business banks with BanColombia, for accessibility, and Davivienda, because of the high-quality relationship management. She is interested in a loan of USD200k to support expansion and will shop around for the best terms. Once expansion in the north is achieved, she would be interested in pursuing equity investors to support further national expansion. Sandra and her staff actively participate in real estate networks and platforms that provide information and capacity building as well as valuable connections.

## Services tailored to Legacy Building WSMEs

Financial services: The Legacy Building entrepreneur typically has business accounts at different banks to facilitate transactions, especially those with international parties. She uses a variety of financial services which may include support with accounts receivable collection and insurance. She may have an existing bank loan and if not, is interested in obtaining a long-term loan to support expansion, and possibly affordable short-term loans for working capital. She wants the business to remain in the family and therefore has no plans to sell shares to an outside investor. Tailored services for the Legacy Builder focus on:

- Transfer to business banking, if not already a business banking client.
- More robust banking relationship management, not just to help her evaluate financing options for expansion, but also to manage everyday working capital and cash flow needs.
- Working capital financing at competitive rates and long-term loans with flexible terms for large-scale expansion.
- Sophisticated business banking services including export/import facilities, overdraft facilities, LOCs and insurance products.

Non-financial services: The Legacy Building entrepreneur has a solid educational foundation, possibly including a post-graduate degree, and has often gained valuable expertise from previous work experience before launching her business. She has developed strong business acumen, enabling her to drive expansion, and has cultivated a network of local relationships that she leverages for growth, advice and support, including family members involved in the business. Having benefited from some formal support programs, she remains eager for more tailored solutions to accelerate expansion, such as:

- Accelerators with an emphasis on international expansion (including access to markets), digital tools, and tech enablement.
- Continuous mentoring or coaching with an experienced high-growth entrepreneur.
- Business skills in areas to support expansion such as digital opportunities, taxation, leadership and workforce development.
- Networking and connection to other entrepreneurs in a similar expansion stage to grow the business network.
- Specialized consultants and technical assistance throughout accelerated growth.

**Legacy Building Entrepreneur, Pakistan: Hina**

Hina, a 42-year-old entrepreneur from Multan, Pakistan, is the founder of Silk o Shine Paints, a growing brand in the paint manufacturing and retail industry. She left an education and career in business administration seven years ago to start the enterprise, driven by a desire to create her own success story. The company operates through a carefully designed structure that promotes sustainability and spans manufacturing, distribution, and retail. This approach enabled the company to scale while maintaining quality and consistency. Hina plans to take her business to the next level by laying the groundwork for international expansion, beginning with Afghanistan and the UK, and needs bank support to do so. She is not interested in bringing in outside business partners; she intends to generate enterprise value for her family and pass the business on to her children. As a woman in a male-dominated industry, Hina faces unique challenges: for example, she is unable to access markets and has to rely on her sales team for insights. She enjoys strong support from her family and from a trusted business coach, all of whom she regularly turns to for guidance. Hina is exploring digital tools to improve customer experience, including an e-commerce feature that allows buyers to calculate paint requirements directly on the website. She thrives on connection, and networking with fellow entrepreneurs is one of her favorite parts of running a business.

**Legacy Building Entrepreneur, Colombia: Eva**

Eva, a 39-year-old entrepreneur from Cartagena, Colombia, founded Live Soluciones Empresariales in 2022 with her two sisters, investing USD25,000 from their savings. The company provides cleaning services and products for businesses and individuals, generating USD390,000 in annual sales and employing 30 people across the country. However, scaling the business has proven challenging due to limited financial support. While they have business accounts and have obtained a small loan to build credit history, access to larger financing remains difficult. Eva and her sisters are not open to taking on outside business partners as they value the family business. However, they actively engage in networking through the local Chamber of Commerce and aim to establish strong credit to secure better funding opportunities. To expand, they need funds for new equipment and market growth, but many available programs cater to vulnerable populations rather than businesses like theirs. Eva remains determined to overcome these barriers, expand their digital presence, and grow the company nationally, all the while generating enterprise value and enabling a greater quality of life for her and her sisters' families.

## Moderate Growth Segment

### Aspired Expansion vs. Stability

Entrepreneurs matching both of these profiles run formalized businesses and share a similar appetite for loans and financial services. However, the Aspired Expansion entrepreneur ranks higher across other key growth enablers. Her business operates in multiple markets—regional, national, and even international—and has broader access to collateral. Additionally, she benefits from a higher level of education and professional experience, well-developed business skills, and stronger business networks. She is tech-savvy and manages a more structured employee team. She has a higher appetite for risk and would be open to taking on outside investors for an ownership stake. In contrast, the Stability entrepreneur is less comfortable taking risks, primarily focuses on local markets, makes little use of technology, and leads a smaller team, largely composed of women she trusts.

## Services tailored to Aspired Expansion WSMEs

Financial services: The Aspired Expansion entrepreneur has a dedicated account for her business, albeit not necessarily in business banking. She uses some financial services – mostly online POS systems, bill pay and payroll – and may use online tools for financial management, FX services (for international sales) and insurance. Typically, she has grown her business by reinvesting profits rather than taking out loans but is often interested in obtaining working capital and long-term loans to support expansion. She is willing to give up control of the business and sell some shares if she finds the right investor, one who is aligned with her vision for growth. She will benefit from:

- Capital to support expansion, including equipment financing and leasing.
- Fast and accessible working capital to smooth short-term shortfalls.
- Opportunities to connect with equity investors who align with vision for growth, particularly angel investors and small-scale impact investors.
- Opportunities to explore alternative financing options, including crowdfunding, revenue-based lending.
- Transfer to business banking and consistent relationship management.
- Sophisticated financial services including import/export facilities, lines of credit, overdraft facilities and insurance.

Non-financial services: The Aspired Expansion entrepreneur is well connected and skilled at building business relationships. She relies on hard business skills such as business development and sales, product development and production processes. She prioritizes personal development and has participated in several business support programs including trainings, accelerators, mentoring and coaching. Her needs are focused on:

- Personal mentoring or coaching.
- Accelerator programs tailored to her sector and industry.
- Support with access to new markets to reach scale.
- Specialized business training, for example on taxes, procurement, or navigating bureaucracy.
- Potentially support with business financing and cash flow and financial management of a complex company with multiple sales channels.

**Aspired Expansion Entrepreneur, Pakistan: Ansa**

Ansa, a 38-year-old entrepreneur from Pakistan, started Apple Roots Montessori School with support from her family. After struggling with her son's learning challenges, she educated herself on alternate education and left her career in public administration to start her own school, providing customized education for children aged 5 to 18. Her goal is to open more schools, and she currently employs 10 staff members, mostly women. Ansa has relied on reinvested revenues and has not taken any loans, in part because she owns minimal assets. While she has a dedicated bank account, it is not a business account, and she uses primarily online banking. She engages with local women entrepreneurs and pursues training but seeks more structured mentorship and coaching. To grow, Ansa needs better access to affordable funding, guidance in applying for available grants and seeking investments, and financial services to manage cash flow and operations. She would also benefit from formal mentorship and specialized business training.

**Aspired Expansion Entrepreneur, Uganda: Kenyangi**

Kenyangi is a self-identified and strong-willed entrepreneur who grew up in a rural part of Mbale and has always been interested in agriculture and the business process to get product from the farm into homes. She attended vocational school in agriculture and agro-processing and launched her business four years ago, manufacturing and selling matook (plantains). She is a single mother and primary caregiver of two young children (ages 4 and 8). Early in her entrepreneurial journey she linked up with the CURAD Agribusiness Incubation Center, and uses their agro-processing facilities to prepare, vacuum seal and label the packages for sale. She plans to buy her own manufacturing plant and machinery and then diversify her product streams and distribution. She regularly reinvests profits into her business and has a loan from her local SACCO. She plans on obtaining a bigger long-term loan to invest in the manufacturing plant and would be open to equity partners in the longer-term future. Kenyangi actively looks for ways to expand her knowledge of agro-processing and products and business management and is applying to participate in CURAD's accelerator program for women in agro-business. She hopes to gain a mentor to support her as she expands.

## Services tailored to Stability WSMEs

Financial services: The Stability entrepreneur has a dedicated account for her business, likely a personal account, and has little use of financial services beyond an online POS system. Rather than turning to bank loans, she carefully invests business income to support calculated growth. However, she is interested in accessing loans as long as she can secure suitable rates and terms. She is keen on maintaining full control of her business and has no interest in equity financing. Tailored services for the Stability entrepreneur focus on:

- Transfer to business banking and relationship management support her to better utilize a mix of banking products that address her unique needs.
- Working capital financing at affordable rates.
- Equipment financing/leasing.
- Financial services, including bank-provided tools for analyzing business finances, payroll, bill pay, insurance and more.

Non-financial services: The Stability entrepreneur has a moderate level of education and may have foundational skills from prior work experience, but her hard business skills are average and there are several areas of improvement. Over the years she established a modest network of business contacts to whom she can turn for advice and support but is not especially skilled at business relationships. However, she has not tapped into available business support programs, primarily due to lack of awareness of available programs and of the benefits they would bring. Her business is focused on her local market and does not deploy technology. She would benefit from:

- Online and in-person trainings and courses to strengthen financial management, cash flow, product development and taxation.
- Sector-specific business accelerators and workshop for sustainable business expansion.
- Business banking transition support, focusing on securing business loans and preparing for investment readiness.
- Digital enablement programs, including training on social media marketing, mobile business management tools, and adopting basic customer relationship management databases.
- Structured peer networking groups to build lasting relationships with entrepreneurs at a similar stage, and potentially mentoring support to explore new business channels and markets.

**Stability Entrepreneur, Uganda: Nafuna**

Nafuna finished secondary school and was employed in another sector before pursuing an interest in beauty products, determined to build a stable enterprise that provides income for her family (kids ages 2 and 7) and provides her autonomy. She saved for years and had some financial support from her husband to launch her beauty product business. Over the last five years, the business has grown steadily, at a pace she is comfortable with. She now sources, processes and sells shea butter beauty products to B2B and B2C clients within greater Kampala. Her business skills are average, and she is not clear on how to increase sales on an expansive basis; instead, she brings new contracts/partners one-by-one. She has nine payroll employees and otherwise uses temporary workers, when possible, to avoid fixed costs. While she has a bank account, she does not use other financial services except bill pay. Her biggest barrier to obtaining a loan is lack of collateral, as all her processing and packaging is done through a rented facility. She is not naturally skilled at establishing business connections and often lacks the time to invest in business support programs and network building.

**Stability Entrepreneur, Colombia: Vanesa**

Vanesa, a 32-year-old entrepreneur from Medellín, Colombia, started her own business after attending vocational school in cosmetology, driven by a desire for independence. She is raising her 8-year-old and provides care also for her elderly parents. With a small amount of funds from her grandfather she launched Renacer by VG, a provider of beauty and wellness treatments. With two rented locations, seven employees, and USD350,000 in annual revenue, she has built a thriving business focused on steady, sustainable growth. She is reluctant to take risks in her business, for fear of failing, and instead grows her business one client and service at a time. Vanesa faces challenges in digital marketing, human resources, and navigating a competitive market that pressures her pricing. She has relied on store credit for equipment purchases and personal loans rather than business financing, limiting her expansion potential. She has participated in trade fairs and industry events to learn and network, when she is able to take the time away from her business and family, but she often struggles as a self-taught entrepreneur. She needs better financial guidance to transition to SME banking and secure funding. Her biggest goal is to buy a permanent location for her business.

## Low Growth Segment

## Livelihood vs. Survival

Both profiles prioritize financial stability, as business income is essential for sustaining their families. Compared to other growth segments, these entrepreneurs exhibit lower motivation for expansion, focusing instead on maintaining a steady income. Managing household responsibilities, including childcare and dependent care, demands significant time and effort. They often lack support from their spouse or family – including emotional support, strategic guidance, and financial backing to the business and stability to the household.

The Livelihood entrepreneur seeks a stable income to support her household, accumulating assets and building a financial cushion over time. In contrast, the Survival entrepreneur started her business due to a lack of employment opportunities, often with no collateral and minimal assets. Neither is inclined to take risks, but the Livelihood entrepreneur may be more likely to innovate or make improvements to the business than the Survival entrepreneur. The Survival entrepreneur has less of an educational and professional experience foundation and lacks business networks and access to BDS. As such, the Livelihood Entrepreneur is more financially resilient, whereas the Survival entrepreneur remains more vulnerable to economic fluctuations.

Both operate small, registered sole proprietorships with minimal formalization and limited use of technology. Their businesses typically employ a few employees, mostly women. The Livelihood entrepreneur may have a slightly broader market reach, while the Survival entrepreneur remains strictly local with no aspirations for wider expansion.

Lifestyle enterprises – those that are built to allow the owner to live a specific lifestyle – are run by entrepreneurs who are motivated by a work-life balance, rather than a focus on high profits and rapid growth. While they are more common in developed countries, due to the overall income levels, the study did uncover some lifestyle businesses in the Livelihood profile within the low-growth segment, especially retail trade lifestyle businesses in Colombia.

In many ways, the Survival entrepreneur and her SME look similar to women microentrepreneurs and business owners, especially in terms of their lack of skills, collateral, access to financial services, and informal processes. The main distinctions are that the Survival WSME entrepreneur registered her business, to comply with local regulations or for other reasons, and has achieved sufficient revenue to classify her business as a small enterprise.

## Services tailored to Livelihood WSMEs

Financial services: The Livelihood entrepreneur separates business finances via a dedicated personal checking account and may have an online or offline POS system. She is unlikely to use other financial services such as payroll. While she may have experience with loans for working capital or to smooth cash flow, she uses profits to cover business expenses rather than resorting to loans. In order to grow, she needs:

- Cash-flow based lending for working capital.
- Transfer from retail to business banking and relationship management to guide her through bank offerings.

Non-financial services: The Livelihood entrepreneur typically has a secondary education and may have some prior work experience but has largely learned on the job and lacks hard business skills. Beyond occasional trainings she has not pursued business support services, primarily due to a lack of time. Over the years she established a modest network of business contacts to whom she can turn for advice and support but is not especially skilled at business relationships. She can benefit from:

- Self-paced, online courses covering financial management, taxation, workforce leadership, production processes, and digital skills for business growth.
- Entrepreneurial information hubs that provide educational information and opportunities to explore programs in her area or online.
- Guidance on market access and expansion, navigating bureaucracy, using digital platforms, and basic export-readiness where relevant.
- Business mentorship and peer networks to connect with other entrepreneurs who have successfully scaled their operations.

**Livelihood Entrepreneur, Colombia: Luisa**

Luisa, a 39-year-old single mother, turned her passion for fashion into a business after being laid off from her previous job. Despite initial skepticism from her parents, she launched Luisa Fernanda Collection in 2016, manufacturing and selling women's clothing. She employs six full-time workers and hires additional temporary staff during peak periods. Keen on maintaining financial independence, she avoids debt and funds her business using her own resources. However, she faces challenges in retaining skilled workers and managing the complexities of commercializing her products. To expand her business, Luisa needs funds to invest in her own manufacturing plant and equipment, reducing dependency on outsourcing. She also seeks support in reaching new markets and navigating business financing, taxation, and bureaucracy. While skilled in sales and staff management, she has yet to fully engage in business support programs or networks, but she is eager to connect with other women in retail and small-scale manufacturing to enhance her knowledge.

**Livelihood Entrepreneur, Pakistan: Seerat**

Seerat, a 46-year-old entrepreneur from Multan, Pakistan, founded FEMITECH to empower underrepresented women in technology, motivated by bringing in stable income for her family and achieving financial independence. With a background in business consultancy and digital solutions, Fatima launched the company with her own resources, selling her few pieces of jewelry to raise initial capital after being denied a bank loan due to lack of collateral. Now that the company is growing, she is open to new funding options such as an Islamic loan but prioritizes ensuring smooth cash flow and minimal debt to maintain sustainability. While her husband and mother support her (especially now that she brings in stable income), as a mother of three children and primary caretaker, she faces the challenge of balancing family and work. From Seerat's home office, FEMITECH offers professional and technical development for employees as well as vendors. The business is expanding into online consultation services, and automating operations to reach more women, especially in remote areas. Fatima has a few contacts – other women entrepreneurs – to whom she turns to exchange advice and resources. She makes an effort to participate in capacity building opportunities that come her way, as she recognizes her lack of hard business skills.

## Services tailored to Survival WSMEs

Financial services: The Survival entrepreneur may or may not separate her business and personal finances and is unlikely to use financial services, aside from bill payments. She stays away from loans due to their high cost and her inability to meet collateral requirements but also general distrust and discomfort with formal credit. She can benefit from these services:

- A dedicated business account.
- Possibly cash-flow based lending for working capital, if a competitive rate is available.

Non-financial services: Lacking education and critical hard skills, the Survival entrepreneur tries to fill her learning gaps by accessing online articles and videos. She is not aware of business support programs, and if she is she lacks the time to participate. She does not prioritize building business relationships and consequently lacks a network of business contacts. In order to grow, she needs:

- Foundational, self-paced business skills programs on topics like bookkeeping, cash flow management, customer service, and very basic marketing.
- Step-by-step formalization and compliance support, helping her set up business bank accounts, digital record-keeping, and meet minimal tax obligations.
- Practical digital upskilling, especially mobile-based, for bookkeeping, payments, and marketing.
- Mobile business hubs that provide simple, accessible information about local loans, training programs, and services.

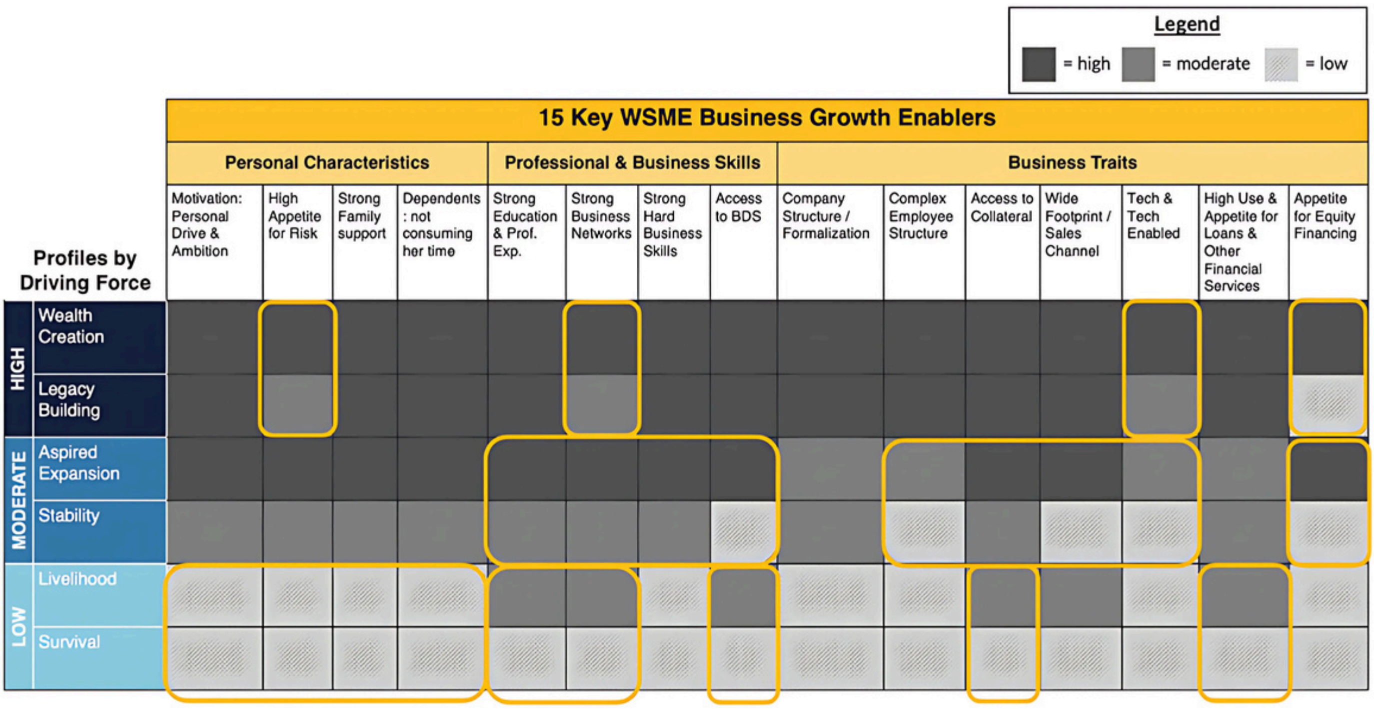
### Survival Entrepreneur, Uganda: Annet

Annet, a Ugandan mother of three, started a goat dairy business after falling sick and recovering by drinking goat milk to boost her immunity. While her mother helps with child care, her spouse is not very supportive. Having registered her business as a sole proprietorship, she keeps 10 goats on land she inherited and employs two full time workers. She would like to expand her business, including adding milk-based beauty products, but avoids risk as the business margins are low and her income is essential for her family. Annet does not have a separate business bank account, relying instead on mobile or cash payments. Use of financial services is limited to ROSCA funds to expand her livestock. She would consider a loan to expand livestock and milk production, but is reluctant to put up her land – her only asset – as collateral. To grow, Annet needs to strengthen her skills as a business owner, and connect to other entrepreneurs in the livestock and agricultural industry for guidance and support. Additionally, she needs support with formalizing her business, particularly the financial aspects.

### Survival Entrepreneur, Colombia: Catalina

Catalina worked as a sales associate with a metalworking company, a job that did not provide sufficient income for her to support her growing family and her parents. In 2018, she teamed up with a friend who also needed a way to generate more income, and they started a company specializing in repair of roller machines used for plastic and cardboard. She sold her car and took out a personal loan to start the business and since then has regularly reinvested profits. The business has grown through word of mouth, throughout the La Estrella region outside Medellín, and is only just now starting to do outreach through social media. They are not comfortable taking significant risks, fearing potentially negative financial consequences. Business transactions are done through personal accounts with BanColombia and Banco Caja Social. Even though the business is capital constrained, Catalina and her partner shy away from bank loans because interest rates are too high, and monthly repayments are not easy to meet. Other than a few basic entrepreneurship programs offered by the Camara de Comercio, Catalina has not participated in any other business support services, programs or networks.

## Mapping of Profiles against the 15 Key Enablers of WSME Growth



## Mobility across segments

The **WSME Segmentation Framework** is dynamic, recognizing that WSMEs are not locked into rigid classifications. Entrepreneurs and businesses can move between growth segments based on access to key enablers, strategic interventions, and changes in personal or external circumstances. No single enabling factor alone prevents or guarantees movement between segments.

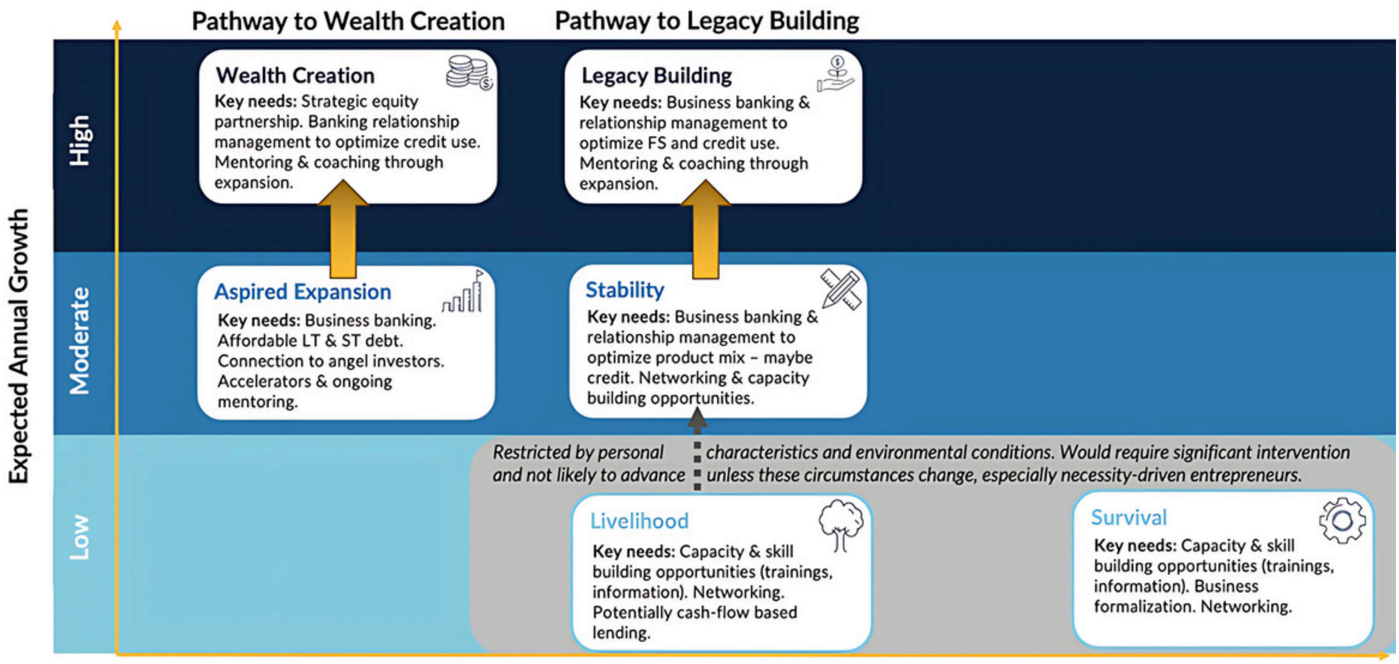
Specifically, Aspired Expansion WSMEs share key attributes with Wealth Creation WSMEs - particularly in terms of willingness to take on equity and relinquish some control of their business if a suitable strategic partnership is identified. To transition to the Wealth Creation profile, the entrepreneur would need strong business banking relationships, access to debt instruments, sustained coaching and mentoring and possibly an accelerator program to further drive business growth, all alongside optimizing the use of technology in her business and building a skilled team of full-time employees and managers.

Likewise, Stability WSMEs may be able to transition into the Legacy Building through strengthened business banking, effective relationship management and enhanced use of financial services. To be poised for upward mobility, it is crucial for Stability entrepreneurs to access trainings and courses to build their hard business skills (ex. business financing, cash flow and financial management, taxes, product development, digital opportunities and skills), and commit to building and nourishing a reliable network of entrepreneurs and advisors.

On the other hand, transitioning from the low to moderate growth segments represents a more arduous path. Mobility is restricted by personal characteristics and often environmental circumstances and would require significant interventions, notably a significant shift in the entrepreneur's personal circumstances and/or the enabling environment. WSMEs driven by Livelihood may be more likely to rise to the Stability profile through access to capacity and skill building training, mentorship, and expansion of business networks, while Survival entrepreneurs are not likely to evolve.

Lateral mobility may be possible within the moderate and low growth segments - i.e. from Stability to Aspired Expansion or Survival to Livelihood - but is not likely between Wealth Creation and Legacy Building due to the contrasting entrepreneurial mindsets, with one focused on accumulating wealth (with outside capital) and the other focused on growing a family business and/or legacy.

**Illustration of Profiles, Key Needs, and Potential Upward Pathways**



# IV. The Importance of the Enabling Environment for WSME

## Impact of the external environment on WSME growth

A comprehensive WSME framework must go beyond the characteristics of the entrepreneur and her business to account for the external environment in which WSMEs operate. Critically, this includes the factors that either enable or hinder women entrepreneurs. Traditional segmentation approaches often overlook these external influences, failing to consider how the broader business and socio-economic environment impacts WSMEs.

Most literature examining the impact of the enabling environment on WSMEs primarily focuses on the ease of doing business, considering factors such as taxation, cross-border trade, and levels of corruption. While these are important elements, there are other context-specific factors that significantly influence a woman's ability to establish and expand her business. Understanding these nuances is essential for designing tailored services that effectively address WSME needs.

Key considerations include a woman's legal rights to own land or inherit assets, her mobility within her community or across borders, the influence of social and gender norms, and the availability and diversity of financial sector offerings. Although some studies highlight the unique challenges women face in accessing capital and running businesses, they often fail to segment women based on these critical dimensions. This limits the depth of analysis and the ability to develop targeted interventions.

In this work, the enabling environment provides essential country-specific context for the **WSME Segmentation Framework**. The weight of importance of the 15 key growth enablers varies based on the enabling environment. For example, in a country like Pakistan where social and gender norms are strict and laws restrict women's ability to inherit assets, family support is critical to a woman's ability to set up her business for success and achieve higher growth, especially in seeking additional capital. On the contrary, in a country like Colombia which features greater financial market sophistication and digital infrastructure, access to and appetite for loans varies less across growth pathways. By integrating these external factors, the framework ensures a more holistic and effective strategy for supporting women owned and led businesses.

### Impact of the external environment on WSME growth

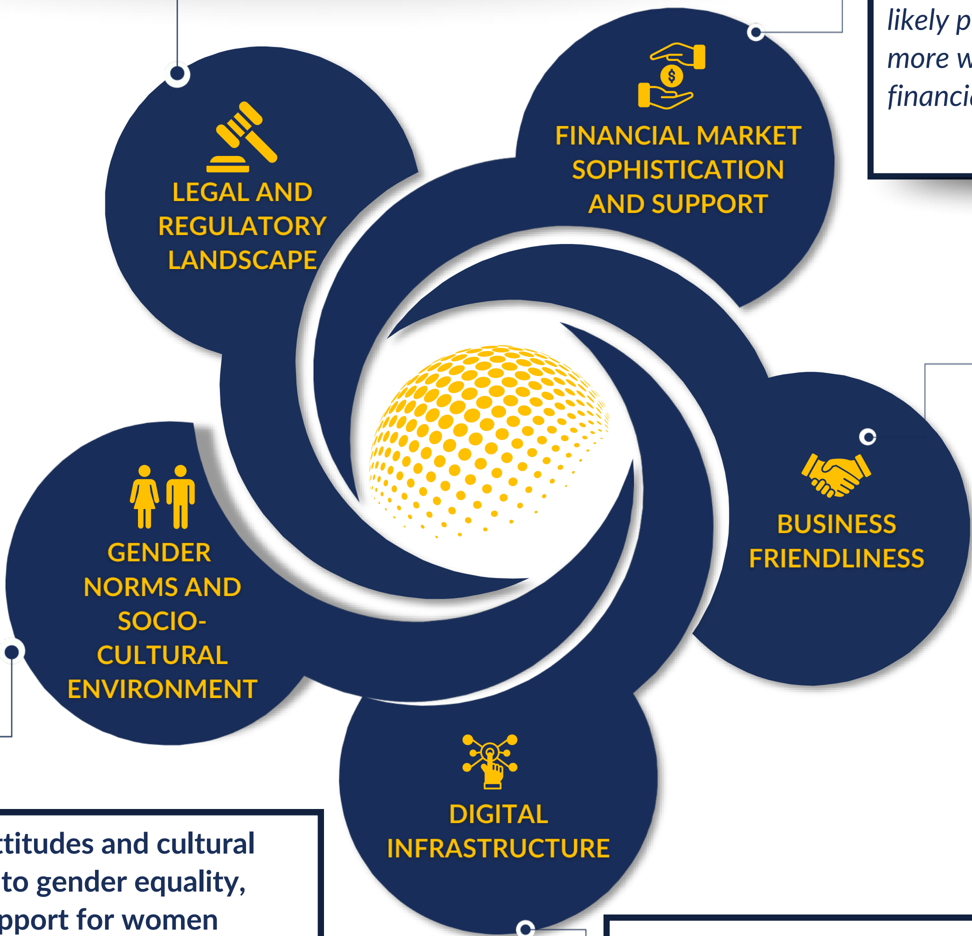
The assessment of the environment surrounding WSMEs is based on five key dimensions, as depicted in figure 9. The characteristics of the enabling environment in the three pilot countries are summarized in the country case studies (Annexes 4, 5 and 6).

**Framework for Assessing the Enabling Environment**

**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, law prohibiting women from inheriting assets results in less collateral available, which is a key business growth enabler of WSMEs. And if a woman's mobility is restricted, she cannot do business freely and there may be less 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/serivices.*




**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.*

**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.*

# V. Applying the WSME Segmentation Framework to a Size-Based Structure

Most financial service providers (FSP) currently apply a size-based approach to segment the SME market. With the introduction of a growth-based segmentation approach and the six entrepreneur profiles, the next question is, how do these dimensions align with a size-based approach?

Profile- or persona-based segmentation offers a deeper understanding of women entrepreneur clients and serves as a valuable complement to the size-based frameworks commonly used by FSPs. This report and the accompanying toolkit enable FSP managers to map each profile to a size-based segment, helping determine which part of the institution is best positioned to serve the client—and with which products and services. This can be done in three steps:

1. **Start with a nuanced understanding of client profiles** – by understanding each entrepreneur's personal and business characteristics, as well as the type of financial and non-financial support she needs. This is best done using the segmentation framework provided in this report. The Assess the Demand and Screen Clients tools in the accompanying toolkit help practitioners better understand the WSME market and classify existing clients by growth path and profile.
2. **Determine how each profile fits within the financial service provider's business structure.** In commercial banks, WSMEs are typically served through different divisions—retail, SME, or commercial banking—depending on their size (often measured by annual revenue) and degree of formality. The profile descriptions provided in this report can be used to assess how each entrepreneur would interact with the institution. For instance, Survival entrepreneurs are often served by the retail division due to their informality and lack of financial history, while Aspired Expansion entrepreneurs may be better suited to the SME division, given their more advanced use of financial services.
3. **Determine the right mix of financial and non-financial products and services for each profile** – Products and services should be tailored to each entrepreneur profile based on her needs and the part of the institution best positioned to serve her. Consideration should also be given to her potential for upward mobility and how her evolving business journey might require different offerings. For example, as a Stability entrepreneur transitions to a Legacy Building profile, she may shift from SME to commercial banking—or even require private banking support.

Stanbic Bank Uganda (SBU) has successfully applied a similar approach. Its Women in Business team identified four key profiles and mapped them to relevant banking divisions. For example, Hajjat Mariam, an ambitious business owner of a formalized business with more than 10 employees and over UGX 100 million in annual revenue, is served by SBU's enterprise banking team. In contrast, recent graduates launching start-ups and Survival entrepreneurs living hand-to-mouth are served by retail banking, given their informal status and limited financial history.

A profile-based approach helps the bank's relationship managers engage more effectively with women entrepreneurs—by enabling more relevant conversations and guiding them toward the most appropriate services and support channels. Additional guidance and tools to assess market demand, segmentation of current clients, and portfolio analysis are provided in the accompanying toolkit, linked here.

# VI. Market Sizing and Revenue Potential

## Unlocking Revenue through Effective Services for WSMEs

The WSME Segmentation Framework offers all stakeholders a valuable opportunity to enhance their offerings and support the growth of WSMEs. The full potential of this opportunity becomes evident through an understanding of the market size and the revenue that can be unlocked when women-owned/led enterprises are effectively served by the banking sector.

Estimates of market size in each of the three pilot countries were based on the number of women- owned/led enterprises overall, as well as the breakdown of formal and informal enterprises. Women- owned/led micro enterprises were included in addition to women-owned/led small and medium enterprises, in order to illustrate the full market opportunity. The revenue potential of effectively serving women enterprises was calculated by drawing on data from national MSME policies, surveys on borrowing appetite and global database indicators on use of formal and informal financial services – and subsequently applying current market rates to the total estimated potential volume of financial transactions. A more detailed explanation of the methodology is provided in Annex 2.

**Defining "Effectively Served"**

The revenue potential model applied considers the condition under which women enterprises are 'effectively served' by financial services. This is defined as:

- Inclusion of informal enterprises interested in receiving formal loans in the envelope of formal and regulated enterprises with equal access to financial institutions.
- Provision of loans to all enterprises interested in borrowing.
- Loan amounts of the desired size for each of the enterprises (without exceeding realistic possibilities of loan servicing in terms of DTI and interest coverage ratios at current interest rates).
- Provision of transaction support for enterprises currently operating outside the scope of formal transaction banking.
- Establishment of a working relationship with the business owners and servicing their other financial needs, like home and car loans and personal savings.

## Market Sizing and Revenue Potential of Pilot Countries

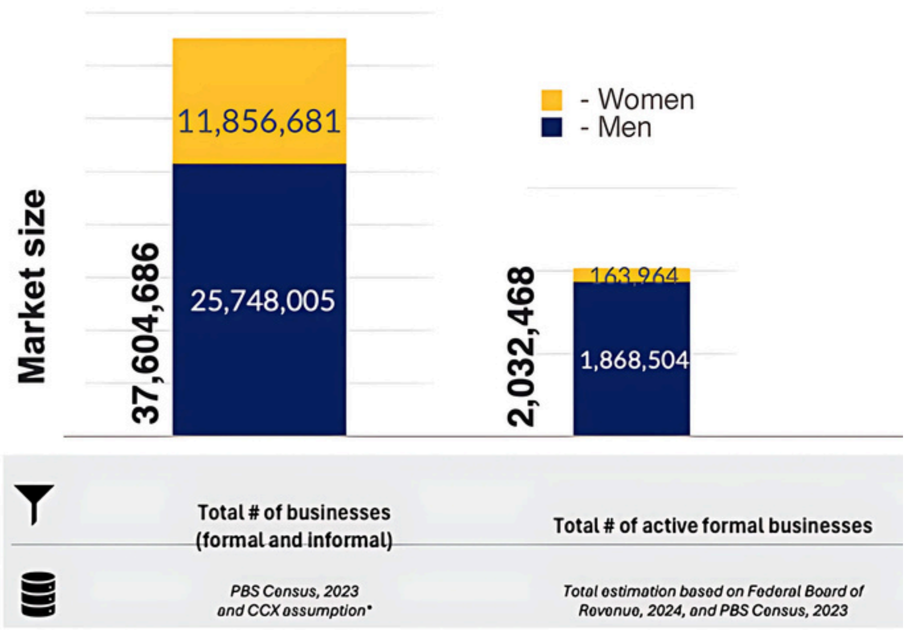
The market sizing analysis of the three pilot countries highlights the varying degrees of formalization and access to finance among WSMEs. The analysis also explored the financial potential of better-serving WMSMEs in the banking sector of each pilot country.

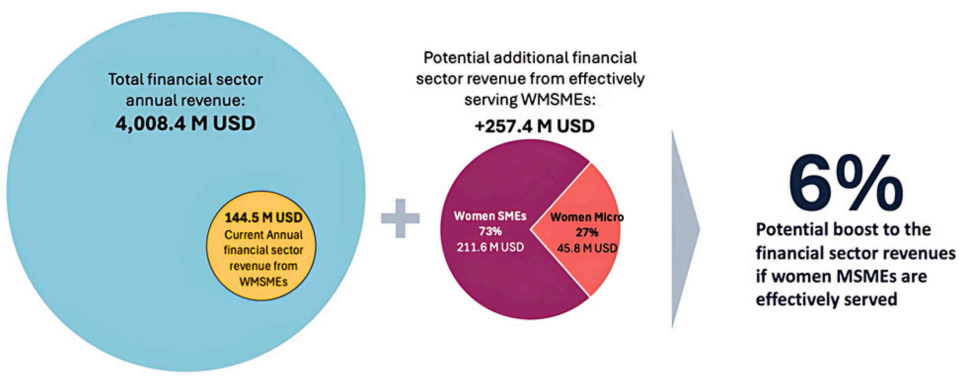
### Pakistan

Overall, 32 percent of the formal and informal enterprises in Pakistan are women- owned/led. However, the vast majority of women enterprises operate informally: of the total 11.86 million women enterprises, just 163,964 (1.4%) are formal enterprises. This illustrates the need to support women enterprises with business formalization across the country in order to facilitate access to finance. Indeed, among formal enterprises (male and female), just 9% have access to credit.

Women enterprises currently contribute an estimated USD 144.5 million in revenue to the total financial sector, estimated at USD 4.01 billion in market size. If effectively served – including boosting the access to credit to 13% of formal and 16% of informal enterprises – the sector could generate an additional USD 257.4 million in revenues, 73% (USD 211.6 million) from WMSMEs. Overall, this would boost the total financial sector revenue by 6%.

**Pakistan Market Sizing & Revenue Potential**



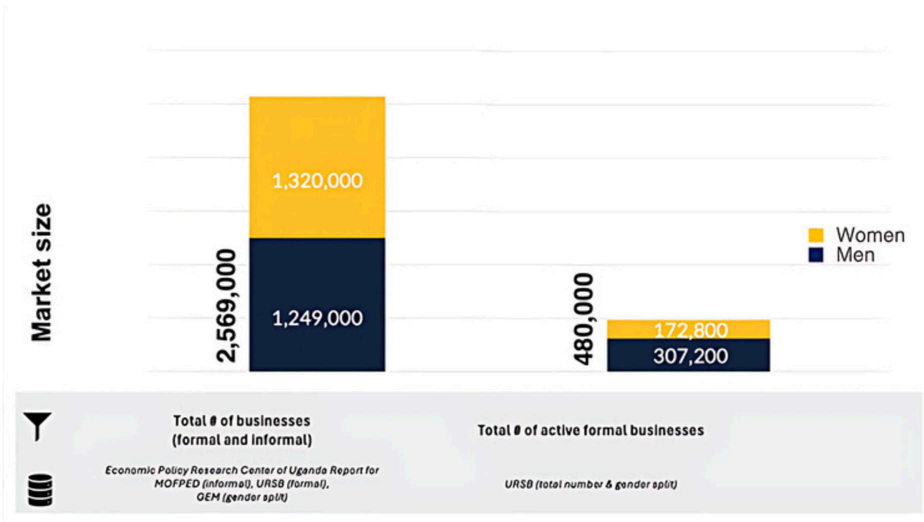



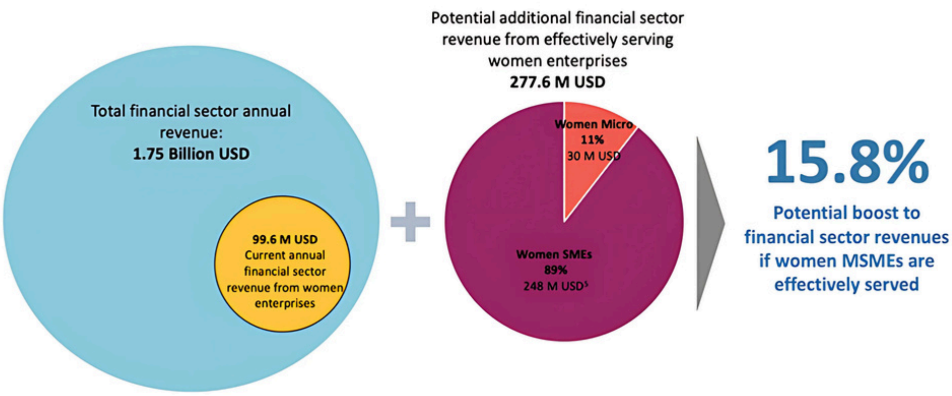
## Uganda

Women- owned/led enterprises represent 52% of the total 2.57 million enterprises in Uganda, for a total of 1.32 million women- owned/led enterprises. A higher share of those enterprises is formal than in Pakistan: 13% of women enterprises are formal, for a total of 172,800 formal women enterprises. There is a lack of data on access to credit among SMEs in Uganda, but the survey CCX conducted as part of this research determined 25% of women enterprises have access to credit currently.

Improving financial access among WMSMEs – including boosting the borrowing rate to 44% to meet unmet demand – could unlock an additional USD 277.6 million in financial sector revenue, 89% (USD 248 million) of which would be generated from WSMEs. This would lead to a 15.8% boost in financial sector revenue.

### Uganda Market Sizing & Revenue Potential



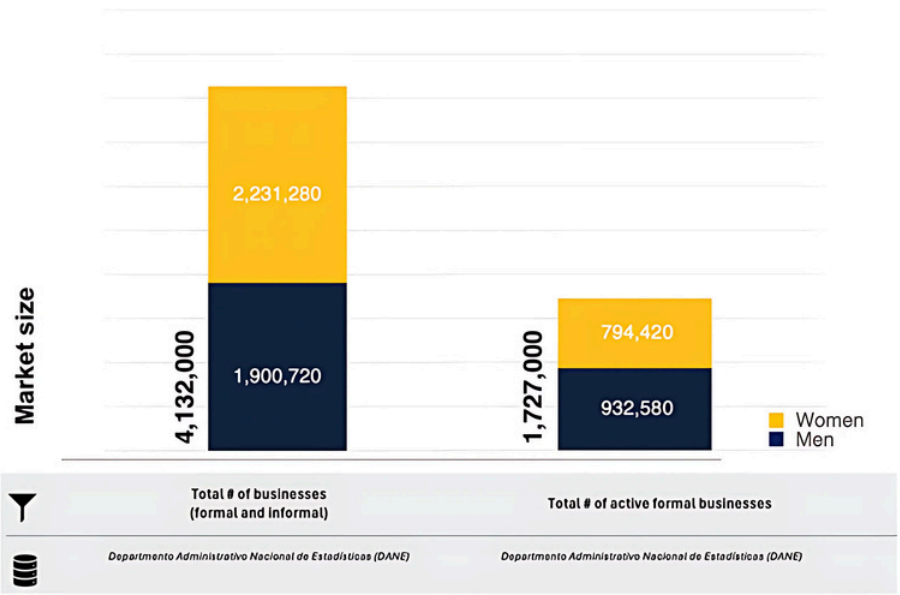



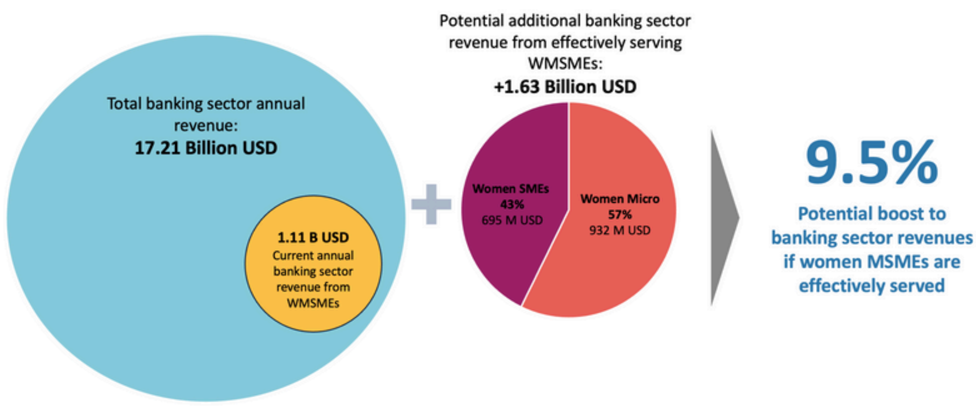
## Colombia

Colombia has the greatest share of women-owned/led enterprises: in a market with 4.132 million enterprises, 54% of them are women- owned/led. It also has the greatest ratio of formalization: of 2.23 million women enterprises, 36% are formal. This results in a total of 794,420 formal women enterprises. And an estimated 39% of women enterprises have access to capital.

The largest banking sector among the three, Colombia's banking sector generates USD 17.2 billion in annual revenue, with WMSMEs accounting for USD 1.1 billion. Enhancing financial access for WMSMEs – including boosting access to finance to 51% of women enterprises to meet unmet credit demand – could yield an additional USD 1.63 billion in banking sector revenues, with 43% (USD 695 million) generated from WSMEs. This would result in a 9.5% revenue boost to the banking sector.

**Colombia Market Sizing & Revenue Potential**



# VII. Recommendations for Practitioners

The WSME Segmentation Framework offers a nuanced approach to understanding and supporting women- owned/led enterprises. By segmenting businesses based on growth trajectories and entrepreneurial profiles—and by recognizing the critical role of personal, business, and environmental factors—the framework enables SME finance providers, investors and other stakeholders to identify the target profiles that are the best fit for their products/services and that meet their business objectives. In less sophisticated markets, financial stakeholders need to innovate around new interventions that meet the needs of WSMEs at each stage of growth.

The main recommendation resulting from this research is to apply the new segmentation framework to local women enterprise markets. The accompanying Toolkit (with link) provides a step-by-step guide for stakeholders to apply the framework, segment WSME markets, and tailor products and services accordingly. It includes resources for assessing the enabling environment, profiling customers, analyzing markets, and designing financial products.

Beyond the toolkit, this section serves to summarize the key financial and non-financial needs per profile and opportunities for the different stakeholders to tailor products and services. Figure 14 illustrates the stakeholders directly targeting WSMEs, the profile they primarily (or should) target and the key needs that each specific stakeholder can address.

**Financial Sector Stakeholders, Their Primary Target Profile, and the Key Addressable Needs**

| | Equity & Risk Capital Providers | Banks | MFIs & NBFIs | BDS Providers (including FSPs) |
|---|---|---|---|---|
| High Growth | **Wealth Creation**<br>Strategic equity partnership including technical guidance and mentoring through expansion. | **Wealth Creation**<br>Relationship management. Quick working capital financing, affordable LT financing. Sophisticated banking services.<br><br>**Legacy Building**<br>Business banking & relationship management to optimize FS and credit use. Sophisticated banking services. | | **Wealth Creation**<br>Accelerators, mentoring/coaching to support expansion. Investment readiness.<br><br>**Legacy Building**<br>Accelerators, mentoring/coaching to support expansion and digitization. Networking. |
| Moderate Growth | **Aspired Expansion**<br>Connection to angel investors & alternative funding sources (crowd-sourcing, revenue-based lending). | **Aspired Expansion**<br>Business banking & relationship management. Affordable LT & ST debt. Sophisticated banking services.<br><br>**Stability**<br>Business banking & relationship management. Affording working capital & equipment finance. Basic financial services. | **Stability**<br>Affordable and fast working capital credit. | **Aspired Expansion**<br>Sector-specific accelerators, ongoing mentoring/coaching. Access to markets. Specialized business training.<br><br>**Stability**<br>Business trainings and courses. Networking opportunities. Online entrepreneurial information hubs. |
| Low Growth | | **Livelihood**<br>Transfer from retail to business banking. Relationship management to guide her on bank offerings. | **Livelihood**<br>Transaction account. Cash-flow based lending for working capital.<br><br>**Survival**<br>Transaction account dedicated to her business. | **Livelihood**<br>Online business skill building programs and information hubs. Ways to connect with other business owners online.<br><br>**Survival**<br>Business formalization support. Online business skill building programs and information hubs with some social element, allowing for interaction. |

**Equity and risk capital providers** primarily serve Wealth Creation and Aspired Expansion entrepreneurs, given their growth plans, willingness to give up control for greater business success, and appetite for risk. Wealth creation enterprises may benefit from investment readiness programs, but many are poised for investment and would value technical guidance and mentoring through international or national expansion. Aspired Expansion enterprises are earlier on in the journey and need connection to angel investors and alternative funding providers, like revenue-based lending or crowdsourcing.

**Banks** (specifically tier 1 and tier 2) fill a need by providing the high growth segment (both Wealth Creation and Legacy Building Entrepreneurs) with business banking relationship management, the right mix of fast and affordable working capital and long-term credit, and more sophisticated banking services like import/export facilities, for example. Tier 1 and 2 banks target the moderate growth segment and livelihood profile within the low growth segment, but often these customers sit in retail banking instead of business banking. There is a need to shift these women and their enterprises to business banking, establish consistent relationship management, and optimize working capital lending and provision of financial services.

On the other hand, the bread-and-butter of **microfinance institutions** and **non-bank financial institutions (NBFI)** are the Stability, Livelihood and Survival entrepreneur. The Stability entrepreneur needs affordable and fast working capital to grow her business 20-50% per year (moderate growth), while the Livelihood and Survival entrepreneurs (low-growth) are not as interested or suited for loans (and if so, would require cash-flow based lending) but instead just need transaction accounts dedicated to her business and BDS or capacity building opportunities.

**BDS providers** – including financial service providers and investors that have technical assistance and support as part of their main value proposition for women enterprises — can apply this segmentation framework to more intentionally target each profile of women enterprises with different services, because as has been proven, her needs vary.

- Wealth Creation and Legacy Building entrepreneurs need continuous mentoring and coaching as they put into place national and international expansion plans. Wealth Creation entrepreneurs specifically need investment readiness support, whether through programs or coaching/mentoring, and legacy builders would benefit from a specific accelerator that supports on international expansion and digital tools.

- Aspired Expansion and Stability entrepreneurs are the perfect candidates for accelerators. For the Aspired Expansion entrepreneur to excel, she also needs ongoing mentoring or coaching, which can be provided through an accelerator program. While she has access to traditional capacity building/training, she would benefit from specialized training on SME topics like procurement, business financing opportunities and maybe gender-specific topics like overcoming systemic gender biases. The Stability Entrepreneur, faced with gaps in her digital and hard business skills and networks, will benefit from traditional business training in combination with mentoring and networking. Topics including financial management, product development, and digital technologies will be critical for her.

- Within the low growth segment, the BDS needs are indeed more basic, as these profiles lack professional and business skills. To reach the Livelihood entrepreneur, business training should not be offered in a classroom but online (with easy access via mobile phone) and self-paced, given her role in the household and resulting lack of time to dedicate to capacity building. As a self-learner, she would regularly visit an online hub with entrepreneurial information, and if invited to networking opportunities, would do her best to attend.

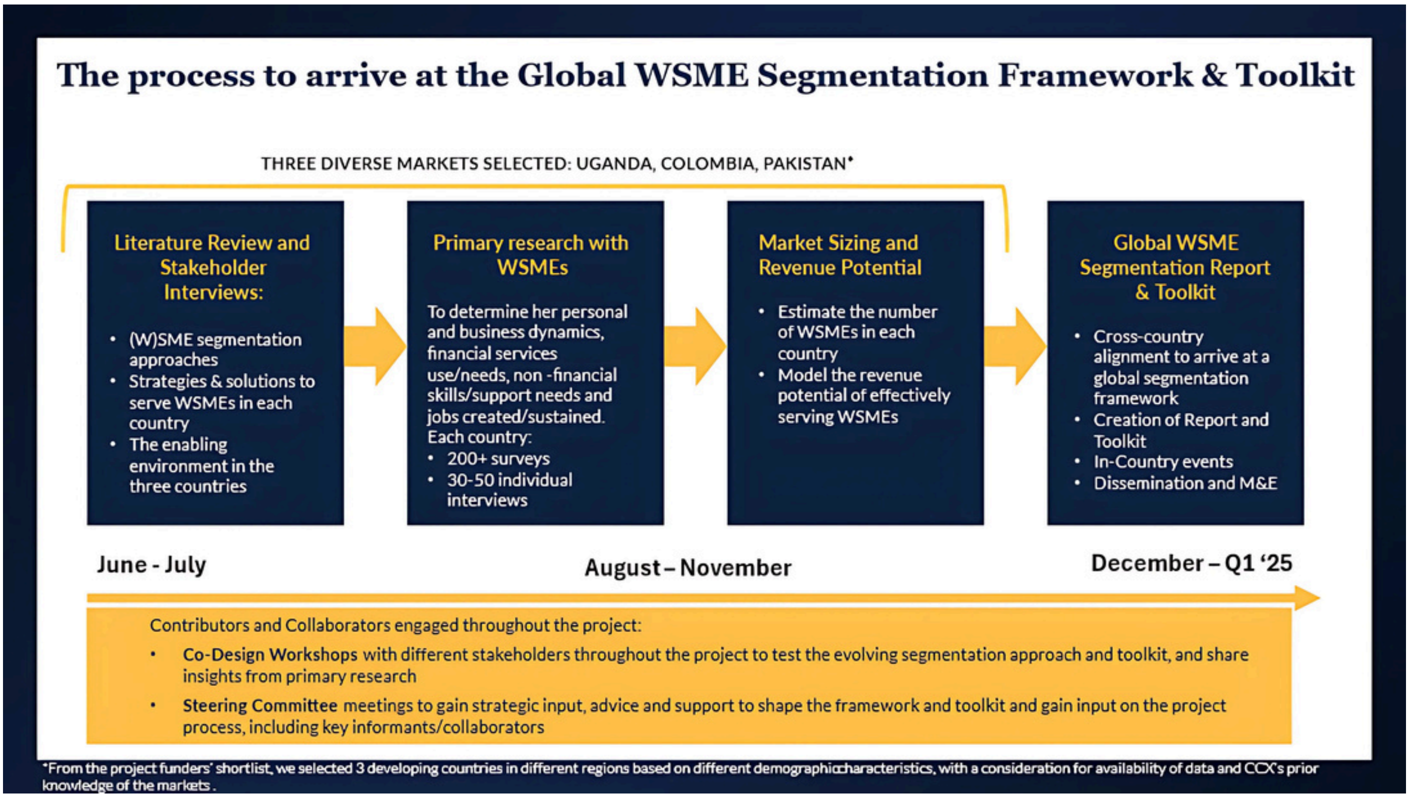
- For Survival Entrepreneurs, support on formalizing her business – for example, her book-keeping and financials – will be critical. More general business training allowing her to learn at her own pace coupled with online entrepreneurial information hubs would be valuable for her to up-skill. And for those who can prioritize it, networking opportunities would be valuable for her to build her network and draw inspiration from her peers.

# VIII. Annexes

## Annex 1: Methodology to Develop the WSME Segmentation Framework

The WSME Segmentation Framework was developed through a structured four-phase process, launched in mid-2024 and culminating in Q1 2025. The framework was grounded in research across three pilot countries — Colombia, Uganda and Pakistan — intentionally representing very different markets and environments for WSMEs.[5]

**Study Methodology**




**Phase 1: Global Research & Stakeholder Engagement.** Existing research and frameworks were synthesized through a comprehensive literature review, in consultation with over 30 practitioners serving WSMEs. The literature review relied on a diverse set of sources, including academic journals, industry reports, case studies, policy papers, and organizational publications. It focused on three key areas essential for a more comprehensive understanding of WSMEs:

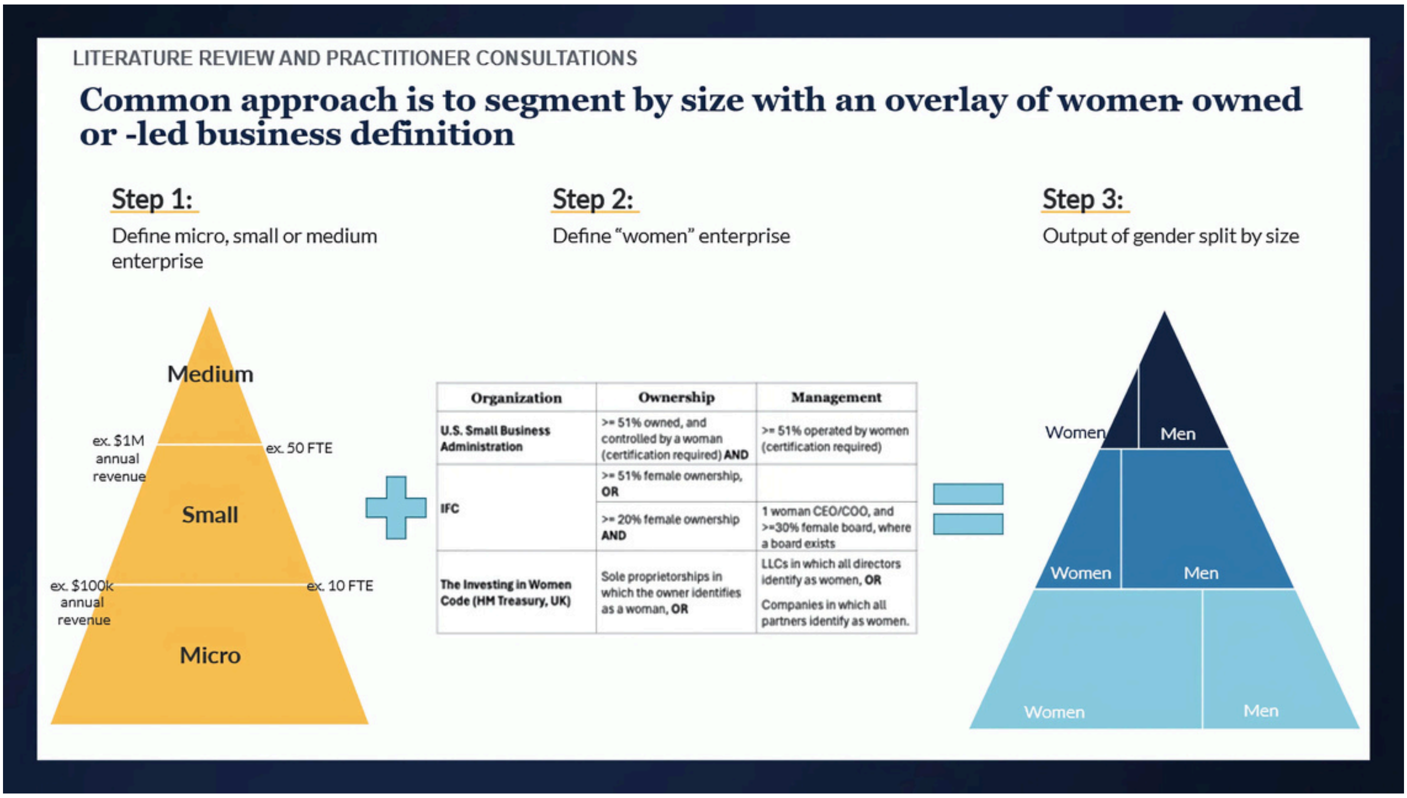
- Entrepreneurial characteristics: personal traits, motivations, skills, and capabilities.
- Business attributes: business size, industry sector, financial and non-financial needs, growth potential.
- Enabling environment: legal and regulatory environment, socio-cultural norms, economic conditions, political landscape and external circumstances.

[5] The countries were selected to ensure a diverse representation of geographies, demographics, income levels and economic and regulatory environments. The country selection process also prioritized the availability of relevant data on WSMEs.

This phase yielded insights into current approaches to define, segment, and serve WSMEs as well as perceived gaps in mobilizing support to WSMEs in emerging markets. It also included an assessment of the enabling environment in each of the three pilot countries.

The research found that most existing SME segmentation frameworks are gender-neutral, failing to include factors critical to understanding women and their businesses. A common approach to WSME segmentation starts with a breakdown of SMEs by size, based on criteria such as thresholds for annual revenue or the number of full-time employees. A definition of women-owned and women-led businesses – based on women owning a controlling interest in, managing the company, or both – is then layered on to determine the share of WSMEs within each size segment.  The business size and definition are then combined to determine the gender distribution across different enterprise sizes. The limitation of this approach is that it is supply-driven, failing to capture the nuances and diverse profiles within size and gender groupings.

**Common Segmentation Approach**




Despite the availability of a range of segmentation frameworks, the research found that they are not widely applied in practice. Practitioners view them as useful tools to decide which segments to intentionally target but apply their own criteria to describe the WSMEs and determine eligibility for services. This finding underscores the need for a toolkit to complement the WSME Segmentation Framework to equip practitioners with the key variables to collect and analyze in order to segment and tailor services to WSMEs.

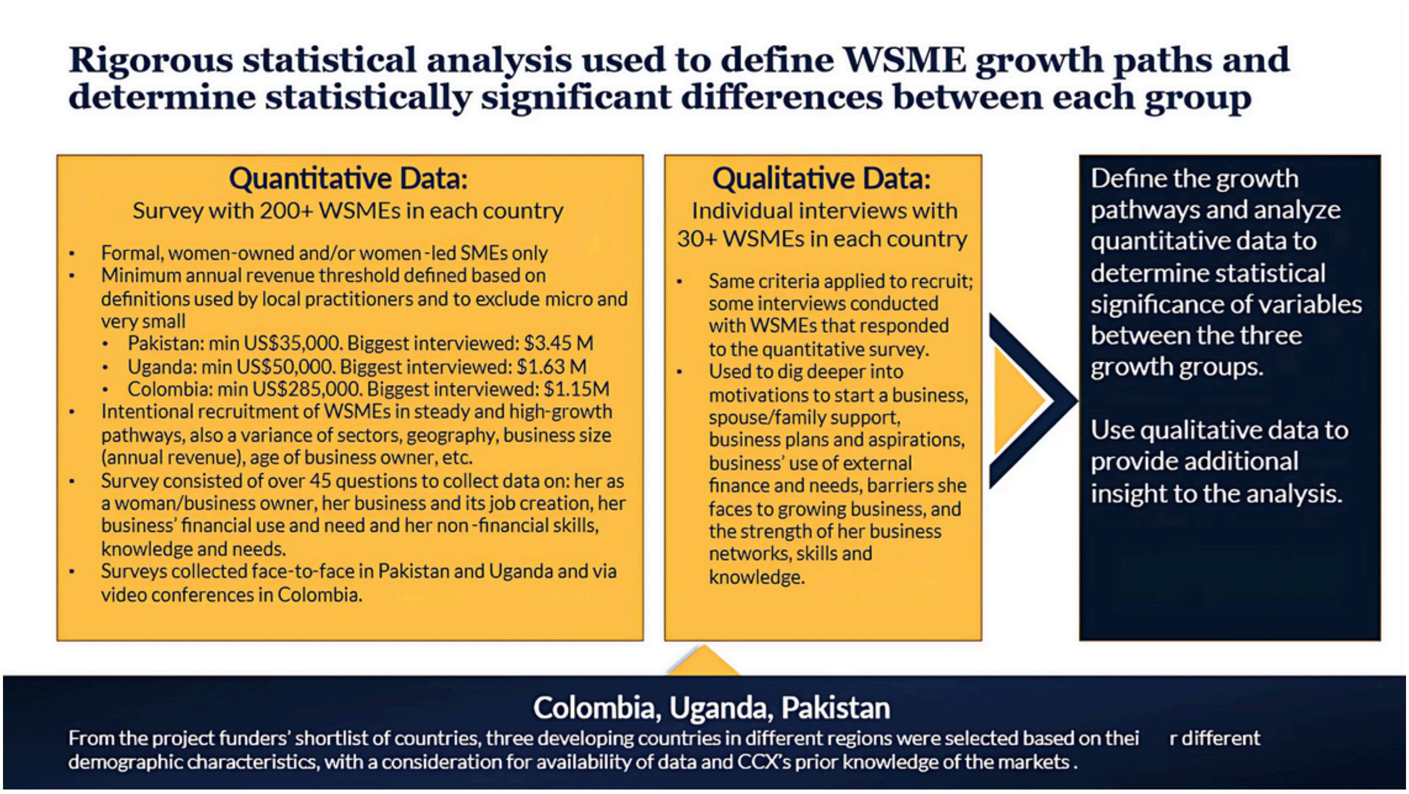
**Phase 2: Primary Research & Data Collection.** Primary research with WSMEs in the pilot countries was conducted to gain a deeper understanding of WSME's personal and business dynamics in the three pilot countries. The research included a sample of 200+ steady and high-growth WSMEs in each country, excluding micro and very small enterprises and informal enterprises, and primarily in urban and semi-urban areas. Through extensive surveys and interviews, data was collected on entrepreneurial profiles, business characteristics, needs and uses of financial and BDS services, and on the jobs created by WSMEs.

**Phase 3: Statistical Analysis & Market Sizing.** Statistical analysis was adopted to estimate the number of WSMEs in each country, assess the financial sector market size, and model the revenue potential of effectively serving WSMEs. This phase provided data-driven insights into the economic opportunities of better targeting WSMEs in the three pilot markets. See Annex 2 for a detailed explanation of the methodology adopted for Statistical Analysis and Market Sizing.

**Phase 4: Global Segmentation & Cross-Country Alignment.** The final phase involved global WSME segmentation and cross-country alignment to establish a comprehensive, globally applicable segmentation framework.

Data validation and stakeholder engagement were embedded throughout the process through co-design workshops to refine the segmentation model and toolkit, incorporating feedback from a diverse group of partners, and strategic guidance from a dedicated steering committee.

**Primary Research Methodology**



# Annex 2: Market Sizing & Revenue Potential Methodology

ConsumerCentriX applied its model to each of the three pilot countries in order to assess market size and estimate the revenue that can be unlocked when women enterprises are effectively served by the banking sector. The methodology involved the following steps:

- Estimate the number of women-owned informal and formal enterprises and the size split for each, when possible.
- Calculate the revenue potential of effectively serving women enterprises in each country. This was done using a combination of:
  - Nationally defined revenue bands for each enterprise category – micro, small and medium – calculated by taking the upper limit for each enterprise size classification and subtracting the upper limit for the next smaller enterprise size classification. Data was sourced from national MSME policies and/or existing revenue estimates conducted by or for local authorities.
  - Survey responses relating to borrowing appetite, debt-to-income ratios, and other measures.
  - Existing lending and savings data from Global Findex 2021, as compiled by financial institutions and networks.
- Estimate the total potential volume of lending, savings and other transactions, then apply the current market rate for each financial service to calculate the revenue potential for the providers of those same financial services.

By positioning the estimated potential additional financial sector revenue unlocked through effective services to WSMEs within the context of estimated current financial sector revenues, ConsumerCentriX was able to determine the resulting percentage boost to financial sector revenues.

The assumptions behind the concept of “effectively serving” women enterprises include:

- Inclusion of informal enterprises interested in receiving formal loans in the envelope of formal and regulated enterprises with equal access to SME finance providers.
- Provision of loans to all enterprises interested in borrowing.
- Loan amounts of the desired size for each of the enterprises (without exceeding realistic possibilities of loan servicing in terms of DTI and interest coverage ratios at current interest rates).
- Provision of transaction support for enterprises currently operating outside the scope of formal transaction banking.
- Establishment of a working relationship with entrepreneurs and servicing their other financial needs, such as home and car loans and personal savings.

# Annex 3: Country Case Study: Pakistan

## Enabling Environment

WSMEs in Pakistan operate in an environment of weak legal protections that curtail women's rights in terms of safety, work, marriage, inheritance, and financial access, with an overall rating of only 20.0 out of 100 and rating significantly lower than the global average of 65.7 and the South Asia regional average of 43.5. Many women lack control over their lives and are expected to dedicate themselves to the family. The financial market remains underdeveloped, with low women's account ownership, limited access to credit, and nascent equity markets. Business registration is relatively easy, but challenges exist in securing locations, tax compliance, trade, and skilled labor. Deep-rooted gender norms restrict women's economic participation, favoring men in business, education, and job opportunities. Business growth is also hindered by poor digital and telecommunications infrastructure and limited internet access for women, despite moderate mobile ownership and widespread availability of electricity.

## General Financial and Non-Financial Trends

Commercial bank loans to WSMEs remain limited, representing only about 3% of total loans, typically focusing on working capital. Access to finance is inhibited by collateral requirements and high interest rates. Although several banks offer accounts tailored to women, financial inclusion remains low at just 13.5%. Some blended financing initiatives provide services such as concessional loans and grants while rural financial services mainly target small and micro women's enterprises through microloans, group-based lending, and basic capacity-building.  Also, importantly, there is little appetite for formal loans due to Islamic restrictions on interest and a lack of trust in the banking system. Instead, most in Pakistan, especially in rural areas, rely on informal finance options including family and friends, loan sharks, and rotating savings and loan associations.

Digital financial services and venture capital are primarily concentrated in urban areas. On the non-financial side, commercial banks focus mostly on basic financial literacy, with limited non-financial services. Programs often lack ongoing, industry-specific advisory support, covering only foundational financial topics. Support for WSMEs is mostly provided by development agencies, multilateral banks, NGOs, and government organizations. Increasingly, awareness campaigns and gender-sensitive financial policies are working to educate women on financial services, effective financial management, legal support, and related resources. Some programs focus on digital literacy services, particularly in urban centers.

## WSME Financial and Non-Financial Trends, Current Offerings and Market Opportunities by Growth Segment

### High Growth

WSMEs in the high-growth segment actively utilize dedicated business accounts and a variety of banking services, including online and offline payment acceptance (84%, 47%), bill payments (57%), and accounts receivable support (43%). They tend to reinvest profits into expanding and strengthening the business, often opting for overdraft facilities and business credit cards over traditional loans. They make minimal use of formal loans (only 4%) and angel investment, resorting rather to grants, prize money, and informal lenders - again, likely due to religious restrictions and a lack of trust in the banking system.

Existing offerings for this segment feature limited access to WSME-focused loans from banks, around USD18k; equity investment available for early and seed-stage businesses ranging from USD50K–200K; and support for women entrepreneurs from multilateral development banks and international financial institutions.

Market opportunities in this segment include:

- Improving awareness and accessibility of existing financial products.
- Expanding women-specific financial products, including mezzanine financing, long-term commercial loans, and short-term working capital.
- Developing flexible financing options such as mezzanine capital or redeemable equity.
- Strengthening networks connecting WSMEs with local angel investors for funding and mentorship.
- Expanding islamic banking services.

Non-financially, high-growth WSMEs prioritize training in areas such as digital marketing, customer relationships, and financial management. They engage in mentoring, coaching, and accelerator programs, though participation is still limited. They deploy technology effectively and rely on strong financial and business skills, primarily developed through previous work experience and education, while maintaining a wide and robust business network for advice and support.

Existing BDS offerings include incubation and growth support through workshops and leadership training; various mentoring and business coaching programs; and sources of information about funding.

Market opportunities for this segment would feature:

- Offering targeted knowledge sessions on international market expansion.
- Facilitating mentorship by connecting experienced women with emerging entrepreneurs.

## Moderate Growth

Moderate-growth WSMEs often reinvest profits into operational improvements and scaling efforts but are frustrated with the lack of accessible funding options such as small grants or soft loans. Many are unfamiliar with equity financing and are generally cautious about taking loans, due to skepticism or opposition by a spouse. While most WSMEs have separate business accounts, they may use limited banking services, such as payroll, overdrafts, and business credit cards.

Existing offerings include limited loan options of approximately USD7k; access to women-focused microloans; and platforms facilitating angel investment connections. Market opportunities in this segment consist of:

- Expanding women-specific financial products and services, including cash-flow-based lending and low-rate working capital loans.
- Expand islamic banking services.
- Addressing the financial gap where women account for less than 10% of total borrowers.

Non-financially, their business skills stem from prior work experience and education, but they do not invest significantly in building broad support networks. They show enthusiasm for training but rely mostly on internet resources due to the lack of available local programs. Existing offerings include training and capacity building in digital marketing, customer relationships, and advanced financial management; and networking events to connect entrepreneurs. Market opportunities focus on:

- Establishing long-term mentorship programs.
- Enhancing awareness of existing business support offerings.

## Low Growth

Low-growth WSMEs tend to avoid formal loans – deterred by high interest rates or lack of comfort with the use of these products – and rely instead on savings programs and occasional informal funding. With a less formal business structure, they often use personal accounts and resort to minimal banking. Profits are reserved for operations and emergencies. Existing offerings are overall limited, with some access to microloans. In terms of market opportunities, there are currently no dedicated financial solutions for this segment, which would benefit from the introduction of tailored financial products such as cash-flow-based lending and grants.

In non-financial services, these WSMEs face greater challenges, due to lack of hard business skills and limited access to support programs. They depend on prior education and on self-learning through online resources, and they often lack a robust network to provide business advice. Existing offerings are limited to basic financial training, while market opportunities would relate to the expansion of availability and accessibility of training programs focused on business management, financial literacy, and digital skills.

# Annex 4: Country Case Study: Uganda

## Enabling Environment

In Uganda, women do not face explicit legal restrictions, but gaps exist in gender discrimination laws for credit access and asset valuation; Uganda is rated by Women Business in the Law at 50.6 out of 100, lower than the global average of 65.7 and the Sub-Saharan Africa regional average of 54.6. Financially, women's account ownership is high due to mobile money, yet formal borrowing remains low, and equity markets remain underdeveloped. Business formalization is hindered by challenges in securing business locations, tax compliance, government corruption, and a lack of skilled workers and innovation. Culturally, Uganda is more supportive of women in business, with general acceptance of working mothers and gender equality in education and job opportunities, though some tensions exist when women earn more than men. However, digital infrastructure remains weak, with low internet access, moderate mobile phone ownership, and electricity shortages, limiting the ability of businesses to leverage ICT for competitiveness.

## General Financial and Non-Financial Trends

Commercial banks and microfinance institutions currently dominate the lending landscape for WSMEs, with loan sizes ranging from USD27k to USD177k. While there is growing focus on WSMEs, uptake remains low due to collateral requirements and cumbersome application processes. Businesses, especially those in rural areas aside from agro-processing, often struggle with access to formal finance, relying on village savings and lending associations. Regional and local venture capital or blended financing funds are increasingly incorporating a gender lens, with average investments of USD1-2 million and a focus primarily on tech-enabled or unicorn enterprises. Some WSME grants are available ranging from USD10k-25k, though qualifications criteria may be unclear.

On the non-financial side, financial service providers are increasingly integrating support services including management, leadership, financial literacy, budgeting, and e-commerce training. Mentorship, networking, and market linkage initiatives are also available, including programs that connect women entrepreneurs with investors and business experts. New women-focused incubators and accelerators are also making inroads, despite low overall uptake due to high revenue thresholds. Several initiatives are providing technological tools to boost WSME innovation, though these remain concentrated in cities, and a gap persists in access to business information and support in rural areas.

## WSME Financial and Non-Financial Trends, Current Offerings and Market Opportunities by Growth Segment

### High Growth

High-growth women entrepreneurs tend to have more robust financial practices, with 70% having a dedicated business account and utilizing multiple banking services, such as online payment acceptance (60%), payroll (45%), and bill payment (40%). They are more likely than other segments to have existing loans, averaging USD71.6k, with 80% planning to seek additional loans in the next three years. About 30%, have equity financing experience are willing to give up some control to facilitate business growth.

Existing offerings for this segment include a wide variety of loans from SME finance providers ranging from USD14K tlo197K, support from equity investors ranging from USD50K to USD197K, and access to grants ranging from 10K to 50K. Market opportunities in this segment consist of:

- Enhancing awareness of existing financial offerings to improve accessibility.
- Expanding financial and non-financial services (e.g., training, market access) to rural areas to reduce regional disparities.
- Strengthening support for WMSMEs by integrating sustainability and social responsibility into programs to promote long-term business growth.

Non-financially, these entrepreneurs possess strong hard and soft skills, particularly in negotiation, product development, and innovation. They are proactive in seeking professional development programs, placing value particularly on trainings and peer learning through their networks, and also pursue self-learning through the internet and books. They have built extensive business networks and are eager to expand them.

Existing offerings in business development services include mentorship and business consulting programs, and networking events and platforms hosted by a variety of institutions. Market opportunities include:

- Expanding long-term mentorship programs by leveraging industry leaders and technical experts to provide continuous support on the entrepreneurial journey.
- Developing a centralized digital platform with market insights, legal guidelines, and financial management resources.
- Strengthening access to equity financing through networking events focused on women- owned/led businesses.

## Moderate Growth

Entrepreneurs in the moderate-growth segment are less likely to have a dedicated business bank account (only 49%) and tend to use basic banking services, such as bill payment (48%), online payment acceptance (42%), and accounts receivable support (39%). Only 33% currently have a loan, with an average of USUSD18.4k, although 63% plan to secure loans in the next three years. A small fraction (13%) have previously sold equity, and opinions vary on whether to relinquish control for growth.

Existing offerings in this segment include some loans from formal SME finance providers, ranging from USD14K to 197K, and grants ranging from USD10K to 50K, in addition to credit from Savings and Credit Cooperative Organizations (SACCOs). Market opportunities include:

- Increasing awareness of financial offerings to ensure greater accessibility.
- Expanding women-specific financial products to address the gap where women make up 39% of business owners but only 9% of total commercial borrowers (as of 2020).
- Offering dedicated business banking accounts and relationship management to support women's business growth.

The business skills of entrepreneurs in this segment are largely derived from experience rather than formal education, and are relatively strong in areas like accounting, cash flow management, and navigating bureaucracy. They actively participate in training and networking opportunities to strengthen their business networks.

Existing business development offerings in this segment include dedicated training for women entrepreneurs on strategy, business planning, operations, HR & talent, and access to capital; mentorship & business consulting; and networking events and platforms focus on women entrepreneurs. Market opportunities focus on:

- Centralizing business information into a single digital platform providing women entrepreneurs with market data, legal frameworks, and financial management tools.
- Increasing long-term mentorship programs.
- Organizing industry-specific networking events to foster collaboration, knowledge sharing, and business opportunities.

## Low Growth

Low-growth entrepreneurs typically maintain a separate account for their business (64%), though it is not always a formal business account. Their use of banking services is limited, primarily to offline POS systems for direct-to-consumer businesses. While 42% have loans, their average size is smaller (USD13.5k), and they often rely on SACCOs, village savings, and loan associations rather than banks. About 53% plan to solicit a loan, but common barriers include lack of collateral, fear of repayment, and cultural or religious constraints. Equity financing is a relatively unexplored area for them, with only 10% having experience, and they are generally more focused on maintaining control of their businesses.

Offerings in this segment include access to credit from SACCOs, microfinance loans as small as USD100 up to a few thousand USD. Access to loans is limited due to lack of collateral. Market opportunities include:

- Developing tailored financial products with low/no collateral for women entrepreneurs (e.g., cash-flow-based lending).
- Leveraging existing initiatives supporting WMSMEs, such as World Bank GROW Uganda.
- Increasing awareness of available financial services to improve accessibility.

The hard business skills of women entrepreneurs in this segment are weaker compared to other growth segments, but they possess sufficient soft skills. Many have participated in training, though they lack consistent or deep support.

Current offerings include dedicated training for women entrepreneurs on financial literacy, business management, opportunity identification, business strategy, and marketing. Market opportunities include:

- Utilizing existing Business Registration Solutions (e.g., Online Business Registration System, CEDP project) to enable easy formalization.
- Investing in digital literacy programs and expand access to affordable digital tools to support WMSMEs.
- Leveraging existing projects that promote digital innovation.

# Annex 5: Country Case Study: Colombia

## Enabling Environment

Colombia features a relatively enabling environment compared to the other two pilot countries. Legally, while some protections exist, gaps persist in addressing sexual harassment, child marriage, gender discrimination in hiring, equal pay, and credit access: Colombia is rated 63.8 out of 100 according to Women Business and the Law, close to the global average of 65.7 and higher than the Latin America & Caribbean regional average of 61.8. Financially, women's account ownership is moderate, with digital payments and mobile money in use, but formal borrowing remains low, and equity markets are still evolving. Business registration and securing locations are relatively easy, though tax compliance can be a hurdle, and more collaboration is needed to strengthen innovation and knowledge absorption. Socially, traditional gender norms still influence perceptions of women's roles, but most women feel they have equal access to jobs, education, and leadership roles. Colombia's digital infrastructure is advanced, with strong internet access, mobile access and telecommunications, allowing businesses to leverage ICT for market competitiveness.

## General Financial and Non-Financial Trends

Financial service providers are increasingly tailoring offerings specifically to WSMEs, with an average loan amount of less than USD 16k. National guarantee schemes further empower participating institutions to offer flexible loans at preferred interest rates along with specialized credit options. This trend also focuses on women from underserved communities, including rural and indigenous populations, while equity investors integrate gender-lens strategies into early-stage investments ranging from approximately USD200,000 to USD1 million. Additionally, some organizations are providing grants averaging USD80,000 for greener future enterprises.

Non-financial initiatives: financial service providers are increasingly incorporating BDS elements into their offerings, providing mentoring, coaching, and expert-led training on topics such as leadership, e-commerce, business accounting, and customer service. Some institutions are actively supporting early-stage women ventures, while others offer a variety of training programs and networking events specifically designed for WSMEs. Additional support is provided through legal advisory services and guidance on operations, along with expanding networking opportunities that enable women entrepreneurs to connect with peers, mentors, and industry professionals through dedicated communities and networks.

## WSME Financial and Non-Financial Trends, Current Offerings and Market Opportunities by Growth Segment

### High Growth

High-growth women entrepreneurs actively engage with a range of financial services. Currently approximately 42% have a loan and are likely to seek additional funding in the next three years, though 21% remain uncertain due to economic skepticism. They plan to access working capital, overdraft, or credit card facilities (24%), with 12% considering both short- and long-term loans. Most maintain a dedicated business bank account (82%), often across two banks, and make extensive use of bank services—bill payments (58%), payroll (55%), online POS (55%), and insurance (21%). While 24% are open to relinquishing some control for growth, the majority (63%) prefer to retain full control and do not anticipate equity financing within one to five years.

Existing offerings in this segment include access to loans ranging from USD 30K–150K from a variety of SME finance providers, and access to equity financing of USD 50K–200K for early/seed-stage businesses and USD 400K–1M for growth-stage businesses. Sustainability-related grants, with a midpoint of USD 80K, are also available. Market opportunities in this segment include:

- Increasing awareness of financial offerings to improve accessibility.
- Diversifying financial support for women- owned/led SMEs across various growth stages, particularly in high-potential sectors such as STEM, healthcare, fintech, and digital commerce.
- Strengthening access to equity financing through mentorship programs, pitch competitions, and investor networking events tailored for women- owned/led businesses.

Non-financially, these entrepreneurs boast strong business networks (58%) and excel in product development, HR, and negotiation—skills that are largely self-taught. They actively seek further support, finding value in business and professional training (56%), academic programs (52%), networking (36%), and accelerators.

Existing offerings in this segment include mentorship and business coaching provided by organizations such as La Bolsa de Valores de Colombia, Bolivar Ventures, and Financial Alliance for Women, as well as through equity finance programs like Brava and Scale Up Women. Business management tools and digital platforms such as SheWorks! are also available for hiring talent and Angel Investment Network for connecting investors with businesses. Market opportunities focus on:

- Enhancing the use of digital platforms to improve accessibility and remove geographical barriers.
- Expanding sustainability-focused training to integrate green business practices.
- Developing export-readiness training for businesses aiming to enter international markets.
- Organizing targeted networking events and peer-to-peer learning opportunities.

## Moderate Growth

Moderate-growth entrepreneurs take a more cautious approach. 33% have a current loan, and a significant 60% do not plan to solicit additional loans in the next three years, with 10% remaining unsure. Two-thirds have a dedicated bank account, though this is lower than in higher-growth segments, and 37% do not use any bank-related services.

Among those who do, bill payments (38%), online POS (34%), and payroll (32%) are most common. With 75% aiming to maintain full control of their business and 67% not planning any equity financing, they rely more on their experience and formal education for business acumen.

Existing financial offerings include access to a wide variety of loans, with common loan sizes around USD7K; access to sustainability-related grants, with a midpoint of USD 80K; and some access to equity financing from a number of initiatives. Market opportunities include:

- Raising awareness of available financial offerings to improve accessibility.
- Developing tailored financial products for women entrepreneurs, including flexible repayment options and financial incentives for business expansion.
- Introducing blended finance solutions that combine loans with equity-like features to support businesses in need of capital while allowing them to maintain control.

The business networks of entrepreneurs in this segment are less robust—only a 50/50 chance of having reliable advice or support—and they are the least engaged with business support programs beyond basic training, although they value and desire more comprehensive support when available.

Existing offerings include business advisory services from organizations like ACOPI, providing legal, financial, and marketing guidance for women entrepreneurs; and dedicated training programs covering strategy and business planning, financial literacy, marketing and sales, offered by a variety of institutions. Market opportunities include:

- Strengthening business support programs, as existing initiatives remain insufficient to fully empower women entrepreneurs.
- Establishing long-term capacity-building programs that include continuous mentorship.
- Encouraging collaboration among academia, industry, and government to develop tailored training programs that address the specific challenges faced by women entrepreneurs.

## Low Growth

Low-growth entrepreneurs are the most conservative in their approach.  28% currently have a loan, and a combined 71% either do not plan to take on new loans or are unsure about future financing, with 18% considering both short- and long-term options. Although 72% maintain a dedicated bank account, it is often not a formal business account. Their use of banking services is limited, typically involving payroll (44%), online POS (36%), and insurance (28%), with FX services utilized by those engaging in international sales. With 76% intent on keeping full control and a general reluctance toward equity financing (62% not planning, 36% unsure).

Existing offerings in this segment include access to small loans, typically around USD150, from microfinance institutions, and limited access to larger loans due to collateral restrictions or lack of formal financial statements. Market opportunities are focused on developing financial products tailored for businesses seeking mid-size loans with limited or no collateral, bridging the gap between microloans and larger business financing.

In non-financial services, they exhibit moderate business skills—often self-taught or learned from family—with notable gaps in people management and negotiation. Furthermore, they have limited access to advanced business support programs, with only 47% engaging in offerings beyond basic training and 42% in academic programs, though they highly value any available support.

Existing offerings consist of business advisory services on business development, viability assessments and awareness business strategies; in addition, dedicated training programs similar to those in the moderate growth segment are available. Market opportunities include:

- Promoting business formalization by simplifying registration processes, offering tax incentives, increasing access to microfinance, and expanding targeted training programs.
- Expanding business support programs, as current initiatives remain insufficient to ensure the sustained success of women entrepreneurs.