

# Lessons Learned: Gender Inclusion Strategies for SMEs in the Off-Grid Energy Sector

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## The Challenge: The business case for gender inclusion and SMEs

While data continues to emerge about the positive financial impact that gender and women's inclusion has for Fortune 500 companies, Value for Women and Shell Foundation have used gaps in information found in our research to design a pilot initiative called *Gender Inclusion Strategies for Energy SMEs* (Small and Medium-sized Enterprises) to build information related to gaps that we have seen to date. These include:

- How SMEs can integrate and adopt gender inclusion approaches;
- How SMEs that are operating in emerging markets have a unique opportunity to apply a gender lens and how this has the potential for both business and social impacts;
- What is needed for businesses to take a holistic approach to gender, how can they do this and what are the potential impacts?

This pilot represents a unique value-add for the clean energy sector, as well as the broader SME sector, in that the results are focused on a practical implementation perspective in a realistic SME environment; one that doesn't have large funding to support major studies, technical assistance, or extensive monitoring and evaluation efforts for determining impact. The real focus of this initiative is on strategies ("tools") that are time-bound and resource efficient and ultimately scalable for SMEs across the clean energy sector and beyond.

What follows is a summary of the lessons that our teams have learned to date, based on 11 months of testing, iterating and measuring new approaches. The intention of sharing these lessons with our close circle of partners is to invite reflections, feedback and comments - as this project is at the early phase of a deepening effort to design new ways to think about gender with the SME environment that are ultimately implementable and scalable in the long-term, and that demonstrate positive business and social impacts.

## Lessons Learned: SME perspective on gender inclusion

To date, there have been interesting early learnings which have shaped our thinking around the impact and scalability of this pilot in the coming years. These lessons include:

- 1) The common thinking is "gender inclusion" means "human resources";
- 2) Gender inclusion needs a "Trojan Horse" approach;
- 3) Data is under-utilised, but can unlock huge business potential;
- 4) Only a "small carrot" is needed to gauge interest and see impact;
- 5) Maturity matters: Gender inclusion is optimal at certain stages;

- 6) Patience matters: Buy-in comes at different levels and it can take time to navigate that fact;
- 7) “Happy accidents” can occur even early on.

### **Lesson Learned #1: The common thinking is “gender inclusion” means “human resources”**

Our first lesson learned is that there is an incorrect assumption often made by many SMEs that a “gender pilot” or “gender strategies” is to focus on changes to human resource policies and practices (for example, family leave policies) or “headcount metrics” that refer to the number of women employed, or number of women in management roles. We found that even if the gender and business performance connection is understood by an SME, there is often a sense of uncertainty about how to proceed. SMEs that do want to be more gender inclusive usually don't know how to do so, and the immediate assumption is that to do so means to look at policies related to family leave, or the ratios of women on the board, in senior leadership management roles, or within the company as a whole. While these are an important part of gender inclusion of course, they offer only one way for how gender can be included into a business. These are also areas that do not offer “quick-wins” for the company, given that the business benefit or the return on investment won't be seen for months or even years as employee retention data takes time to collect and analyse. Therefore, offering diverse ways that a company can think about how to approach gender inclusion, while communicating the business benefits is essential. This pilot aimed to determine how gender can be included in all areas of SME operations, moving far beyond employment issues to include a focus on product design, sales, distribution, customer service, marketing and other key business areas, while measuring the impact of these on the business.

### **Lesson Learned #2: Gender inclusion needs a “Trojan horse” approach**

Because many SMEs fail to see the connection between gender and business performance, they are often initially not interested in learning how to incorporate gender into their business. For many, the lack of awareness of the connection between gender inclusion and business performance keeps them focused on trying to scale their business, become sustainable, or in some cases just keep the lights on. If gender is not viewed as something that can impact the bottom line, it is less likely to be prioritised by CEOs. Additionally, many CEOs see that gender should be managed by one single point person in the company who is interested and has expertise and as something which is an “add on” to the business efforts. Most companies will want to assign someone to “manage gender” for the organisation, and this can be perceived as too costly in terms of both time and financial resources.

As a result of this observation, our thinking shifted during the pilot and impacted how we frame the opportunity with partners. We initially focused on understanding where women were/were not in each business, by doing a gender operations and value chain analysis in order to uncover opportunities for gender inclusion. Our shift occurred when we began to position this pilot as a “business solutions” one, and then incorporated a gender solution to address business challenges. We choose to focus on understanding the business challenges first and finding solutions to those general problems using a gender lens. This approach has allowed us to

engage with SMEs using their language, and guide the conversation towards one of gender inclusion in a way which is more organic and more easily understood and accepted by the businesses.

### **Lesson Learned #3: Data Is under-utilised but can unlock huge business potential**

In general, we have found that businesses are often unaware of the importance of gender disaggregated data and how to use it once it is collected. The reality is that with relatively simple tweaks to existing data collection processes, many SMEs could access a lot of valuable information about their business. SMEs collect data on sales, sales team performance, marketing efforts, customer profiles and product demand as a regular practice, and by simply adding some questions that allows for gender-disaggregating this data, an SME can acquire important information such as:

- 1) Who the end-user of their product is. With businesses participating in this pilot, many products are purchased by a man but used by a woman. When this is recognised, it can impact and change marketing tactics, strategic messaging and sales efforts around sales and product upsell efforts.
- 2) How men and women view benefits and challenges of the product, or likes and dislikes, which can help tailor messaging and even impact product design.
- 3) Determining if there is a winning combination regarding sales representative's gender and customer's gender. For example, is the sale of a specific product improved when a woman representative sells to a woman customer?

The challenge for SMEs related to gender disaggregated data collection lies in:

- 1) Recognising the value for gender disaggregated data, (which in this pilot has been quickly overcome after one or two targeted conversations about it with SME leadership); and
- 2) Learning how to analyse the data once it is gender disaggregated.

We have learned that businesses require technical support with this kind of data analysis more than any other element of this pilot. This has led to an additional lesson learned from this initiative, focused on the need to prioritise technical assistance to support gender disaggregated data analysis.

### **Lesson Learned #4: Only a “small carrot” is needed to gauge interest and see impact**

One of the key overarching questions we had a year ago as we were designing this initiative was what resources and support are required in order to effectively engage CEOs and how big will “the carrot” need to be?” The short answer we have learned so far is that the incentives do not need to be as big as we thought!

Enterprises participating in this pilot are receiving a range of support equivalent to \$3,000-\$9,000 for 2-3 months of testing, depending on their pilot tests and needs – this amount is relatively small. The big effort has been the input of staff resources and time from the

enterprises into this pilot. A significant amount of technical support is needed up-front in the development of the tools and an agreed plan of action, and again in the data analysis phases. However, once the gender strategies are being implemented, the technical support needs are much lighter. Additionally, counter to what we initially believed, we found that most enterprises do not require nor are they interested in a long-term timeframe for testing new strategies. The more mature SMEs conduct pilots frequently and can determine directionally if a strategy is working or not within 2-3 months. Longer testing will be naturally motivated by success. This learning allows us to see true opportunity for scale of this pilot.

### **Lesson Learned #5: Maturity matters: Gender inclusion is optimal at certain stages**

While all SMEs can benefit by adopting gender inclusion strategies at some level, there is a stage in an enterprise's development which allows for a better opportunity for success, especially when adoption of gender inclusion strategies is focused on sales or marketing. Ideally, SMEs will have:

- Some stability in their business model, so that strategies can be designed around them, for best fit;
- A team in place to implement, given that a level of leadership and resource dedication is required;
- Funding – as noted in Lesson #4, the funding needs can be quite minimal, but some is required;
- The potential to benchmark results either against a current practice internally, or against peer or industry standards, depending on what is being measured.

This is not to exclude early-stage companies benefiting from thinking about gender early on but that rather, in testing specific strategies, a level of maturity seems to be a key success factor.

### **Lesson Learned #6: Patience matters: Buy-in comes at different levels and it can take time to navigate that fact**

Every business is unique, as is their appetite for testing anything new, including gender inclusion approaches. Determining who the “champions for change” are within an organisation is a key factor for success, and may take time to navigate. In our pilot we found three general types of “champion” within SMEs who were instrumental in the pilot's success. Businesses typically had one of the following:

- 1) A senior level gender-champion in leadership from the start: someone who understood the business performance and gender connection from the beginning and was influential enough to push this through to the rest of the organisation and garner buy-in.
- 2) An “internal champion” who may not have been in a key leadership role, but who had the ability to be heard by all levels of the organisation and was interested enough in the idea and in gender to sell this pilot internally.

- 3) A built-in company culture that encourages gender inclusion and/or pilot testing and was open to trying new things.

The sheer amount of lessons learned during a short time period are encouraging and are inspiring commitment to a longer-term follow-up phase to commence in January 2018. The rich insight and information shared to date extends beyond the aforementioned lessons. Our final concluding thought drives us forward into the next stage. It comes from our:

**Lesson Learned #7: “Happy accidents” can occur**

Many unintended outcomes have been witnessed as a result of these efforts and if open to the possibilities, our group of businesses, investors and technical supports have seen indirect impacts or have had “spill-over effects” to other areas of the business. These unintended consequences show that gender inclusion can have a positive impact in areas that exceed initial expectations.

We look forward to sharing more of these lessons with you in January 2018 and beyond.