

# DRIVING GROWTH AND IMPROVED BUSINESS PERFORMANCE

The opportunity  
of investing in gender-  
inclusive strategies

October 2022







# EXECUTIVE SUMMARY

This report presents the findings from a four-year initiative by Shell Foundation (SF) and Value for Women (VfW), co-funded with aid from the UK government, to further assess the relationship between business performance and gender strategies for small and medium-sized enterprises (SMEs). We analysed data on gender inclusion and business performance collected through surveys, assessments, and high-touch, tailored technical assistance (TA). The results show that gender inclusion can be adopted to address business challenges and reveal new opportunities for growth, innovation, and efficiencies while delivering positive impact for women.

Nine case studies from VfW and Shell Foundation's collaboration shine a light on how providing SMEs with tailored technical assistance over a sustained period can influence improved business performance. Five were featured in our 2018 report, "[A Business First Approach to Gender Inclusion](#)." This report highlights four additional cases that build the evidence base for gender-forward business practices in action.

VfW also surveyed five impact investors and 61 SMEs operating primarily in the energy access sector across Africa, Asia, and Latin America. These surveys looked across nine business functions – Gender Intentionality & Strategy, HR, R&D, Sales, Marketing, Data, Distribution & Logistics, Customer Service, and Customer Finance – to understand the links between gender-inclusive strategies and business performance.

## BUSINESS PERFORMANCE IMPACTS

- Of SMEs that have tracked impacts of gender-inclusive (GI) policies, **74%** self-reported positive impacts on employee satisfaction, productivity, and retention. 
- One business in our pilot saw both a **38%** decrease in processing time and a doubling of daily incomes for women farmers following the implementation of gender-inclusive strategies around productivity. 
- Of SMEs that have implemented GI strategies in R&D, Marketing, Sales, Customer Service, and Distribution & Logistics, **68%** reported improvements in customer satisfaction, and **60%** reported improvements in brand recognition. 
- WLBs were **7%** more likely to be perceived as "top performing", rather than performing in line with or below investors' expectations. 
- Of SMEs that have implemented gender-inclusive strategies in R&D, Sales, Marketing, or Customer Service, **43%** reported increased sales revenue and **42%** reported increased client retention.<sup>1</sup> 
- Approximately **50%** of strategies piloted under these engagements were reported by businesses to lead to a positive business impact.<sup>2</sup> 

<sup>1</sup> Data analysis was based on varied sources, including SME self-assessment surveys, investor assessments about the performance of investees, and proxies for business performance, as well as data gathered directly by VfW from a set of SMEs over time.

<sup>2</sup> While data on strategy success rates is not widely available, the most comprehensive study to date shows that failure rates can be as high as 90%. Therefore, a 50% success rate can be considered a positive result.

Through these efforts, we developed the Inclusive Business Growth Framework (IBGF), a standardised assessment process that uses business and investor data to identify gaps and opportunities for gender inclusion. This report examines the findings from the data collected from SMEs across their business functions, highlighting practices that positively impact both business performance and gender inclusion.

There was a particular correlation between the stage of the business and their gender inclusion score. The majority of those companies at the early “venture” stage<sup>3</sup> reported an average GI score of 40%. But as companies moved towards “growth”<sup>4</sup> and “mature”<sup>5</sup> stages, the average GI score increased to 45% and 54%, respectively.

## KEY INSIGHTS

- **There is unmet demand for high-touch, tailored gender technical assistance.**  
Our analysis consistently showed that, while the IBGF enables the widespread identification and efficient adoption of gender lens approaches, high-touch, tailored gender TA is needed to achieve meaningful and long-term impact on business performance and inclusion objectives.
- **An experimental mindset is essential to engaging in gender-inclusive strategies.**  
Gender-inclusive strategies are a lens through which we can analyse what is working and what can be improved, identifying potential opportunities for growth and challenges to address.
- **Existing standards provide important impetus for meaningful change.**  
Standards set by the 2X Challenge and others provide an important framework for gender inclusion targets. However, they are not designed to measure business performance or identify strategies to meet those targets. This creates a need and an opportunity for gender-focused tools and frameworks to help businesses align with international standards.
- **Thoughtfully structured financial incentives for TA can drive innovation.**  
If a business knows the associated cost and return, repayable grants to support TA can be provided as scale-up funding. This is a new area for innovation with the potential to design the provision of gender TA in a more sustainable way.
- **Short- and long-term strategies are key to maintaining motivation and momentum.**  
Implementing a mix of strategies – some that can achieve short-term results and others that require a longer timeline to see outcomes – balances the motivation from quick wins with the longer-term impact strategy.
- **Building and maintaining organisation-wide buy-in is essential.**  
Commitments to GI from senior leadership, as well as key staff, are fundamental to ensuring the successful implementation of TA. Such commitments signal the prioritisation of gender by the business and the investor, and can help to promote and share learnings across departments and embed inclusive practices.

<sup>3</sup> Venture: operations are established; company may or may not be generating revenues, but does not yet have positive EBITDA.

<sup>4</sup> Growth: company has positive earnings EBITDA and is growing.

<sup>5</sup> Mature: company has stabilised at scale and is operating profitably.

Investors and businesses alike remain eager for more knowledge, data, and support to build models for gender inclusion. The opportunity to generate tools and approaches, and have these adopted by a wide set of SMEs and investors, has the potential for true market-moving impact.

We recommend that investors analyse their investment process with a gender lens and review internal practices and policies to become more gender-forward.<sup>6</sup> Throughout this process, investors must maintain an innovative mindset; continuous iteration and experimentation, with proper guidance, are essential ingredients for success.

To support sustainability and longer-term adoption of gender inclusion, businesses need support beyond initial pilot success to ensure scale. This includes TA – even light-touch support is beneficial – and funding. Investors can offer this support as part of pre- and/or post-investment activities, recognising that the strategic implementation process is necessarily iterative. Prioritising strategies for business functions that have a clear benefit to the SME creates a clear incentive to start.

Investors can also collaborate with one another to standardise performance metrics proxies that can be used over time to test impact. This will help identify potential trends and correlations between gender inclusion and business performance; show where barriers and challenges may exclude women entrepreneurs from getting investment capital in all forms; and implement strategies to redress.




For SMEs, we recommend using the framework developed under this initiative as a starting point to understand how to improve their gender inclusion across key business areas, and how implementing gender-inclusive strategies can generate positive business impacts. Given the nature of the framework, a growth mindset is critical.

Gender inclusion is a valuable strategy beyond principle. Its demonstrable links to performance improvements across business functions, outlined in this report, make a compelling case for investors to incentivise its adoption among SMEs by supporting their efforts to do so.

---

<sup>6</sup> Value for Women's How to Invest with a Gender Lens: A guide for investors in emerging markets: <https://VfW.org/wp-content/uploads/2020/07/HOW-TO-GUIDE-REPORT.pdf>

# GLOSSARY

TERM	DEFINITION
 <p><b>GENDER SMART/ GENDER LENS INVESTING</b></p>	<p>The use of capital to simultaneously generate financial return, advance gender equality, and integrate gender analysis into financial analysis.<sup>7</sup></p> <p>The three key gender lenses are: Access to Capital, Workplace Equality, and Products and Services that positively affect women and girls.<sup>8</sup></p> <p>Gender smart/lens investing can help businesses to become more gender-inclusive/gender-forward.</p>
 <p><b>GENDER-FORWARD/ GENDER-INCLUSIVE BUSINESS PRACTICE</b></p>	<p>Practices include actions businesses take to advance gender inclusion<sup>9</sup>, such as:</p> <ul style="list-style-type: none"><li>• Providing products and services that close gender gaps or meet the needs of women and/or girls</li><li>• Supporting gender diversity through internal policies and practices in the workforce</li><li>• Strengthening inclusion and diversity across the value chain.</li></ul>
 <p><b>INCLUSIVE BUSINESS GROWTH FRAMEWORK</b></p>	<p>The Framework sets out practical guidance SMEs and investors can use to:</p> <ul style="list-style-type: none"><li>• Identify specific practices and strategies on how to improve and deepen efforts in gender inclusion, with intentionality as a key ingredient.</li><li>• Prioritise opportunities and actions based on an analysis of and experience in the field of gender and business performance.</li><li>• Assess and redesign business models to optimise gender inclusion, and understand the potential business impacts.</li></ul>

<sup>7</sup> Developed by Value for Women based on the definition found in: Anderson, J., Miles, K. (2015). The State of the Field of GLI. A Review and a Roadmap. Criterion Institute.

<sup>8</sup> See, for example, <https://www.gendersmartinvesting.com/gendersmart-glossary> and <https://www.icrw.org/gender-smart-investing-resource-hub/>

<sup>9</sup> <https://vfW.org/wp-content/uploads/2020/07/HOW-TO-GUIDE-REPORT.pdf>

# INTRODUCTION

The goal of this report is to go beyond the argument for gender inclusion in principle. Instead, VFW and SF seek to demonstrate that a business-based approach to gender inclusion does more than just benefit women as entrepreneurs, employees, and consumers. Gender inclusion is also a performance strategy aligned with more profitable and sustainable business models.

This report introduces the Inclusive Business Growth Framework (IBGF), which is based on the business performance and gender inclusion quantitative data generated from surveys of 61 SMEs and five impact investors, as well as the key findings from the hands-on technical assistance provided to a selection of SF partners. IBGF builds on the Gender Forward Business Framework, first introduced in 2018.

## AUDIENCE



**SMEs** interested in improving gender inclusion and/or seeking opportunities to improve performance across key business functions, and those trying to better position themselves for investments and/or positive ESG impacts.



**Impact investors** looking to: improve the gender diversity of their portfolio; design more effective gender TA to improve performance; and adopt gender-forward business practices in decision-making processes.



**Ecosystem actors and stakeholders** in the impact investment field, including accelerators and networks that are working with investors and SMEs to deliver holistic business-based approaches to improve business and gender outcomes.



**Decision-makers** in any of the above who are looking to present the business case for their organisation to design and implement dedicated gender TA to SMEs.

Our goal is to spur the adoption of and investment into gender-forward business practices through testing, sharing, and demystifying gender-inclusive strategies.

# THE CHALLENGE

Gender inclusion in business is more than simply investing in SMEs founded or led by women – it is a tool for improving commercial performance while delivering better impact for women.

The rapid growth of gender lens investing underscores the robust body of evidence for gender inclusion as an underutilised business strategy. From 2019 to 2021, the number of funds using gender as investment criteria grew by 50%, a 3.5x increase since Project Sage began tracking gender lens funds in 2017.<sup>10</sup>

## What the data<sup>11</sup> says:

- As of 2020, women control \$72 trillion in assets globally – double what they controlled in 2010.<sup>12</sup>
- The engagement of men is necessary for the success of gender diversity efforts.<sup>13</sup>
- Over a 10-year period, women-led companies outperformed ones with all-male leadership by 63%.<sup>14</sup>
- Global GDP could increase by as much as \$28 trillion by including women in the economy as equal participants.<sup>15</sup>
- Gender-balanced teams perform better than male-dominated teams in terms of sales and profits.<sup>16</sup>
- When women are the target consumers, women sales agents sell three times as many products.<sup>17</sup>
- Companies that prioritise supplier diversity spend 20% percent less on buying operations.<sup>18</sup>

Gender tools and frameworks that are available are often not tailored to the needs of SMEs or investors. The 2X Challenge, Women's Empowerment Principles (WEP), IRIS+, and other global frameworks for gender lens investing have been critical

in setting standards for gender inclusion, but are not designed to offer business-based strategies for meeting those standards. Existing tools that track gender data pertaining to business performance, like the UN Women's Empowerment Principles, Equileap, or Bloomberg's Gender Equality Index, are designed to be used by large corporations, not individual investors or SMEs.

Investors and SMEs that do track gender data are often limited to HR or "headcount metrics," representing a missed opportunity for businesses to understand, implement, and reap the benefits of gender inclusion across business functions and operations.

## So, what is the challenge?

There is an appetite among SMEs and investors to adopt gender-inclusive practices. However, it can be challenging to identify and implement practical, creative, and demonstrably impactful solutions:

- Not knowing where to start with the "how" of gender inclusion;
- Finding the proliferation of tools and literature overwhelming;
- Lack of access to compelling data and practical examples that make the case for the efficacy of gender-related TA;
- Assuming there is a high cost to implementing gender-inclusive strategies; and
- Lack of standardisation or widespread adoption of both gender and business performance metrics.

10 Project Sage 4.0: <https://socialimpact.wharton.upenn.edu/research-reports/reports-2/project-sage-4/>

11 Gender Lens Investing Data – GenderSmart

12 Investment by women, and in them, is growing

13 Five Ways Men Can Improve Gender Diversity at Work

14 An Economy For All

15 The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth

16 The Impact of Gender Diversity on the Performance of Business Teams: Evidence from a Field Experiment

17 GSDR 2015 Brief - Strategically engaging women in clean energy solutions for sustainable development and health

18 Women Entrepreneurs Are Essential for Private Sector Development in Emerging Markets

# WHAT WE DID

Beginning in 2017, VfW and SF set out to support SME and investor efforts to adopt a more holistic view of gender and business synergy across every business function. We did this by piloting a “bottom-up,” business-first approach to test the impact of gender inclusion on business performance.

Our work sought to answer three questions:

- Does optimising core business functions for gender inclusiveness improve business performance — in terms of sales, profitability, competitiveness, and investor attractiveness — as well as depth of impact on women as customers, employees, or suppliers? What resources are required to support this optimisation?
- Can gender-inclusive approaches be replicated and/or scaled efficiently by SMEs and investors?
- How can our evidence and learnings be leveraged to spur the adoption of gender-inclusive strategies?

We began our work by first identifying business challenges across nine core business functions: Gender Intentionality & Strategy, HR, R&D, Sales, Marketing, Data, Distribution & Logistics, Customer Service, and Customer Finance. Then, we designed and tested a total of 19 practical, measurable gender strategies and tools that addressed challenges across the nine functions. Each strategy was measured in order to determine its ability to meet business performance metrics and whether successful strategies could be adopted into core business practices at scale.

VfW provided hands-on tailored TA for eight businesses within the SF portfolio. The businesses were selected based on their demonstrated commitment to gender inclusion, the scalability of their approach, and the availability of measurable data sets within a timeframe as well as matched resourcing. They include both B2B and B2C businesses.

VfW also surveyed five impact investors and 61 SMEs operating primarily in the energy access sector across Africa, Asia, and Latin America. This report is based on analysis of the numerous data points gathered in the survey, as well as the practical insights gained from delivering gender-inclusive TA to the eight SMEs.

---

<sup>19</sup> <https://www.weps.org/about>

<sup>20</sup> <https://equileap.com/>

<sup>21</sup> <https://www.bloomberg.com/gei>

<sup>22</sup> We knew that we would not be able to prove, to rigorous academic standards, that gender strategies caused changes in business performance. However, we sought to identify correlations and triangulate any positive (or negative) correlations with the businesses' self-reports of whether any changes in gender practices and business performance were linked. <https://VfW.org/wp-content/uploads/2020/07/HOW-TO-GUIDE-REPORT.pdf>



# USING DATA TO DEVELOP A FRAMEWORK

Through these efforts, we developed the **Inclusive Business Growth Framework (IBGF)**, a standardised assessment process that uses business and investor data to identify gaps and opportunities for gender inclusion.

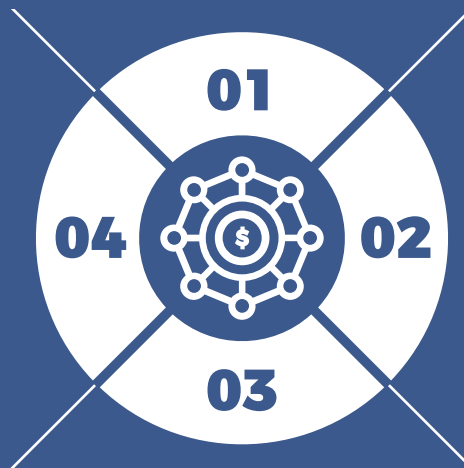
## The IBGF includes:

### 1. The Gender and Business Self-Assessment Survey and Scorecards

- An online self-assessment survey, completed by SME management. Aligned with industry standards, this enables measurement of gender inclusion across nine key business functions and provides a Gender Inclusion (GI) score.
- Scorecards, including tailored recommendations for gender-inclusive strategies across priority functions, based on the businesses' responses.

### 2. The Investor Data Portfolio Analysis

- Includes a survey with key questions to gather information on each individual investment, including investment asset class and size. It also includes a qualitative investor assessment about how the business is performing using proxies.



### 4. Investment

- Implementing gender-inclusive strategies; this includes dedicated gender technical assistance and grants to SMEs to pilot new approaches that have the potential to scale.

### 3. Menu of options

- Outlining multiple potential gender-inclusive strategies for each business function.

The IBGF demonstrates the range of starting points, actions, and outcomes for SMEs and investors on their gender inclusion journeys. It is also the first step in creating a sector-wide benchmarking effort on gender inclusion; the aggregation of the data collected allows us to analyse trends by business function and performance.

We aim to inspire readers to explore and adopt these practices for themselves, looking beyond the most common metrics (like the gender composition of the founding team or senior management) and instead applying a gender lens across all business functions and operations. This holistic approach has the potential to be transformative for the business.

The following IBGF Menu of Options infographic outlines a selection of potential strategies that can be implemented across business functions. This list is not exhaustive, and many more opportunities to embed gender across operations are available, but the purpose is to demonstrate that gender inclusion is possible and relevant beyond the realm of HR.

# MENU OF OPTIONS

OUTLINING MULTIPLE POTENTIAL GENDER INCLUSIVE STRATEGIES FOR EACH BUSINESS FUNCTION.



## HUMAN RESOURCES

Review HR policies to improve employee satisfaction, retention and productivity.

Review recruitment processes to improve application, recruitment and progression.



## OVERALL GENDER INTENTIONALITY AND STRATEGY

Public endorsement and explicit commitment to gender equality.

Identify and address gaps in gender capacity across the business.



## MARKETING

Design targeted marketing campaigns to reach women customers.

Leverage information on your business's gender impact and gender inclusive practices to bolster marketing.



## SALES

Targeted sales strategy to overcome gender-specific barriers to product access and onboard more women customers.

Gender-specific messaging for customers.



## RESEARCH AND DEVELOPMENT

Incorporate analysis on gender-based needs, preferences and product usage patterns into product and service designs to address women's needs.



## CUSTOMER FINANCE

Conduct gendered market research to better understand women's finance needs.

Analyse payment behaviour by sex to identify unique needs of women.



## CUSTOMER SERVICE

Tailor strategies to address women's needs in customer education, customer care and after-sales support.

Implement low-cost / low-touch customer feedback and use



## DATA

Collect, analyse and use sex-disaggregated data on employee performance and satisfaction metrics.

Identify and address gaps in gender capacity across the business.



## DISTRIBUTION AND LOGIC

Increase women-led businesses in your supply and distribution networks.

Provide operational/logistical support to women and women-led suppliers, distributors and vendors.

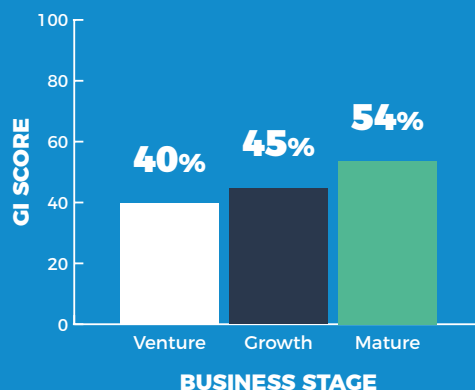
# WHAT WE FOUND

Performance data gathered from VfW's technical assistance and from the SME and investor assessments indicate that gender-inclusive strategies can lead to improved business performance across nine business functions. The data also offered insights on how to design effective gender-inclusive TA and operational considerations for implementing these strategies across all nine business functions.

## GENDER INCLUSION IS CORRELATED WITH IMPROVED BUSINESS PERFORMANCE AT ALL STAGES OF GROWTH

A recent analysis of SF's portfolio showed a particular correlation between the stage of the business and their GI score.

This data implies that later-stage SMEs may find it easier to mainstream gender in their business model because they are more likely to have the resources and capacity to do so. This means investors should be setting a higher bar for them compared to early-stage SMEs with regard to GI. These findings also point to an opportunity for investors to tie funding to the implementation of gender-inclusive strategies, as a way of supporting SME growth.



## GENDER INCLUSION CAN HAVE POSITIVE IMPACTS ACROSS BUSINESS FUNCTIONS

The self-reported data we analysed, along with case studies from the SMEs, demonstrate the potential for gender inclusion to have positive impacts across all business functions.

### HUMAN RESOURCES

Businesses can see both cost and time savings when applying a gender lens to human resources (HR). Of those SMEs that have tracked impacts of gender-inclusive HR policies:

- **82%** reported improvements in employee satisfaction.
- **75%** reported improvements in employee productivity.
- **64%** reported improvements in employee retention.
- **60%** reported positive business results.

These findings are consistent with other studies showing that diversity, equity, and inclusion (DEI) efforts generally correlate with improved retention rates. This indicates that HR practices and policies contribute to a more gender-inclusive working environment; positively impact business performance through reduced costs associated with hiring and turnover; and lead to greater employee productivity.

24 While the data collected does show a correlation between gender inclusion and business performance, more data and analysis over a longer term is required to further test causality.

25 Venture: operations are established; company may or may not be generating revenues, but does not yet have positive EBITDA.

26 Growth: company has positive earnings EBITDA and is growing.

27 Mature: company has stabilised at scale and is operating profitably.

28 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-about-deloitte-unleashing-power-of-inclusion.pdf>

# CASE STUDY:

## S4S TECHNOLOGIES: RECRUITMENT OF WOMEN FARMERS IN INDIA

S4S Technologies is an India-based food preservation company that invents new food processing machines for rural women farmers, who in turn create processed and dehydrated food products for S4S's B2B and B2C markets.

### THE CHALLENGE

High costs and low success rates in the recruitment of women farmers, due to cultural norms and attitudes that impact women's ability to communicate with unknown individuals and take up paid work

### THE STRATEGY TESTED

An outreach strategy for the recruitment of women farmers involving: door-to-door briefings in villages by local field executives; distributing local language pamphlets with information on the opportunity; and a hotline number run by an operator who spoke the regional language and to whom women could direct queries and expressions of interest.

### THE RESULTS

The pilot ran from December 2019 to April 2020, and S4S recruited 75 micro-entrepreneurs (out of a target of 200) before it was forced to pause the pilot due to the COVID-19-related lockdown. Despite the challenges faced, the pilot showed remarkable results for all key metrics, including:

- A reduction in time spent on the recruitment of women micro-entrepreneurs by **85%** (from seven visits per week to one visit per week)
- An increase in the average number of women reached per week with recruiting communications, from **12 women to 70 women per week**
- A **6%-10%** reduction in costs involved in the recruitment of women micro-entrepreneurs
- An increase in the success ratio of recruitment by **5%**

### RESOURCES REQUIRED

#### Staff time:

- Group meetings and equipment demonstrations in villages
- Monitoring and data collection for impact evaluation

#### Financial:

- Logistical costs of recruitment activities in the field (such as travel costs)
- Pamphlets that were distributed in the villages
- Salary for a new recruitment hotline operator

### PRACTICAL INSIGHTS FROM S4S

One initial approach to recruit women farmers in a new area was to work via a local CSO/ NGO<sup>29</sup> to overcome the lack of connections S4S had with people in this area. However, S4S experienced some challenges working with this local partner, and reverted to leading the recruitment/outreach directly through local contractors and the local language hotline.

Another strategy – appointing one woman farmer in each village to act as the aggregator for the group of women farmers (who would lead outreach at the village level) – unintentionally created tensions within the group around perceived partiality, and so S4S dropped this approach.

The team then pivoted slightly to engage locals (typically men) familiar with the women – who were in some cases related to them – as (paid) field executives/contractors for door-to-door briefings, before group meetings could be arranged with the S4S team. This helped overcome the women's initial lack of confidence/comfort around interactions with strangers from the city (particularly men).

<sup>29</sup> Civil Society Organisation and Non-Governmental Organisation

*“Another example of how this has helped me as CEO: We recently started developing marketing/branding material to make our organisation more customer-centric. ... Because of the understanding we have built through this pilot, we have added a gender aspect to these customer journey maps; our team’s mindset has changed, so that we have started looking at new processes, strategies, and ideas with a gender lens.”*

**VAIBHAV TIDKE,  
CEO, S4S TECHNOLOGIES.**



# CUSTOMER SERVICE

In a recent SF survey of SMEs in its portfolio, only 14% of businesses have implemented or would consider implementing gendered customer service strategies. But of those that have, 87% reported an improvement in customer satisfaction. Customer service therefore represents a large opportunity gap with high impact potential for businesses, which investors can help businesses to address.

## CASE STUDY:



### **BBOXX RWANDA<sup>30</sup>: GENDERED APPROACHES IN CUSTOMER EDUCATION**

Bboxx was founded in 2010 to tackle the global challenge of access to energy. Bboxx works across 11 countries in Africa and Asia to provide affordable, reliable, and clean energy solutions through pay-as-you-go home solar systems to transform the lives of millions of people.

#### **THE CHALLENGE**

Bboxx’s field technicians targeted their customer education training to “primary registered customers,” typically the man of the household. This focus led to women customers often being overlooked during the installation and education process, despite women typically being the end users of Bboxx products. As a result, Bboxx faced failed and/or repeat installations, defaults, and payment issues.

#### **THE STRATEGY TESTED**

A tool targeting female end users with installation and customer education visits. Bboxx aimed to reduce customer technical issues post-sale, and increase both use and repayment of the home solar system by ensuring that women were engaged in the installation and customer education process

#### **THE RESULTS**

During the Jan-June 2020 pilot, Bboxx saw:

- A 5.2% reduction in incoming calls for technical issues, as a result of targeting the woman of the household who is more likely to be the primary product end-user.
- Involving both the man and the woman of the household in the customer education process led to a 9% reduction in the overall default rate, as both members then took up accountability and responsibility for product payment, leading to fewer missed payments.

<sup>30</sup> For more information on Bboxx, see: <http://bboxx.co.rw/>



## SALES AND MARKETING

Our analysis found that SMEs deploying sales and marketing strategies targeting women saw improved business results. Gendered sales strategies led to increases in brand recognition (71%), client satisfaction (64%), and sales revenue (50%). Gendered marketing strategies had similar results among the SMEs that

implemented them: increases of 63% in brand recognition, 58% in client satisfaction, and 47% in sales revenue.

These findings indicate the potential for businesses to improve performance through direct engagement with female customers.

## CASE STUDY:

### DHARMA LIFE<sup>31</sup>: GENDERED SUPPORT FOR STRATEGIC PRODUCT DEMONSTRATIONS

Founded in 2009, Dharma Life works to alleviate poverty through rural entrepreneurship and awareness building for low-income households. Dharma Life selects and trains rural entrepreneurs from the communities Dharma serves and helps them provide social impact products such as clean cooking devices and solar lighting products within rural markets at affordable rates.

#### THE CHALLENGE

Dharma Life's sales force partially consists of "Dharma Life Entrepreneurs (DLEs)," or remote sales agents who sell household use products in local settings. Dharma Life recognised the potential for women to succeed in the DLE role given their ties and influence within their communities; however, they also saw that women were struggling to see success on par with male colleagues. A gender analysis of the business challenges revealed that in order to be successful in their sales efforts, direct sales agents required capital in order to purchase demonstration products and cover other expenses such as transportation and cell phone bills. Women agents in particular often lacked these resources up front.

#### THE STRATEGY TESTED

A sales-focused gender inclusion tool designed to address the barriers facing women sales agents. Specifically, this involved providing demonstration kits for product demonstrations at strategic locations. Based on the success of this pilot, Dharma Life scaled the strategy across several states, providing 3,000 DLEs with demonstration kits with product samples and initial product stock for sales.



#### THE RESULTS

When the strategy was scaled by Dharma Life to provide start-up kits to 3,000 DLEs across several states, the following results were seen:

An average increase of 55% in sales across all states where the strategy was rolled out.

The co-investment model for start-up kits reduced the post-training attrition rate among DLEs by over 5% (from 10% to less than 5%).

#### RESOURCES REQUIRED

##### Staff time:

- Implementing and monitoring the strategy
- Data collection for impact evaluation

##### Financial:

- Demonstration kits for farmers (as part of the co-financing model adopted by the team post-pilot, i.e., in the scale-up phase)
- Logistical costs related to training DLEs

#### PRACTICAL INSIGHTS

Variations were observed between states, with women DLEs in Rajasthan achieving the highest increase of 90% in sales with the help of the start-up kits. Sales rose by 61% in Uttar Pradesh, 40% in Bihar, and 30% in Maharashtra. High increases corresponded with low baseline figures for certain states, which were based on local conditions/challenges for women.

The co-investment model for start-up kits reduced the post-training attrition rate; putting skin in the game motivated women to continue sales activities.

31 For more information on DharmaLife, see: <http://dharmalife.in/>

# DISTRIBUTION & LOGISTICS

Very few businesses are initiating strategies to increase the number of women or women-led businesses (WLBs) in their supply chains, making it difficult to draw conclusions from the SMEs that did. Of the 12 SMEs that have implemented gender strategies with their distributors and/or suppliers, 57% reported increased employee satisfaction, increased client satisfaction, and increased brand recognition.

There may be an opportunity for businesses to leverage gender TA to identify cost efficiencies and other performance impacts that could come from a more gender-inclusive approach. The indication is that this is potentially a more difficult or less obvious area of business operations in which to implement gender-inclusive strategies. Some SMEs may also simply not know if the businesses they are dealing with are women-led or not, and independent verification of WLBs is difficult for businesses to implement.

## CASE STUDY:

### **S4S TECHNOLOGIES:<sup>32</sup> INCREASING PRODUCTIVITY FOR WOMEN FARMERS IN INDIA**

S4S Technologies is an India-based food preservation company that invents new food processing machines for rural women farmers, who in turn create processed and dehydrated food products for S4S's B2B and B2C markets.

#### **THE CHALLENGE**

VfW's gender assessment revealed women farmers' disproportionate burden of unpaid household and care work, as well as gaps in their understanding of best practices for handling, processing, and storing raw material and equipment. Women's quality of output was also lower, leading to higher product wastage.

#### **THE STRATEGY TESTED**

The gender strategy modified S4S's standard operating procedure (SOP) to suit women's schedules and time needs, enabling them to double the batches they were able to produce per day. S4S also increased the equipment available to women and made design changes and updates to the training content.

#### **THE RESULTS**

The tool was piloted with 200 women micro-entrepreneurs in select markets, generating fantastic results, including:

- Decreased processing time by 38%, from 21 hours to 13 hours per batch
- Wastage rate dropped from 4.5% to 0.5%
- Volume of raw material processed per day doubled
- And the daily income earned by women farmers also doubled as a result

S4S has continued to integrate a gender lens within its operating model by standardising the methods piloted successfully with VfW's technical assistance. This includes identifying and onboarding new women farmers and developing Standard Operating Procedures (SOPs) for new products. In other words, the strategies piloted have become business as usual. As the business stabilises following the COVID-19 pandemic, which severely impacted production, S4S's leadership plans to continue incorporating a gender lens as a standard approach embedded within its business model and overall decision-making.



<sup>32</sup> For more information on S4S, see: <https://s4stechnologies.com/>



## RESOURCES REQUIRED

### Staff time:

- Field-level challenge assessment with women farmers
- Developing new training content
- Training women farmers on the new SOP
- Monitoring and data collection for impact evaluation

### Financial:

- Travel costs
- Developing new machine prototypes
- Manufacturing new machines/equipment with design updates

## PRACTICAL INSIGHTS

The gender gap analysis included focus group discussions, as well as members of the team observing women at work in their homes, which was a new approach for S4S. Through this process, the team was able to reach clear insights on women's daily use of time, and iterate the production process (and SOPs) to allow more efficient time use. The participatory process also helped the team identify gaps in women's techniques, which were subsequently addressed through an improved SOP and training.

The gap analysis revealed that additional capital investments (beyond the costs originally anticipated by S4S) were required for the development of the new equipment prototypes and the subsequent production of new machines for distribution to farmers.

Changes in weather patterns delayed the strategy implementation. Additionally, weather conditions (namely heavy rainfall and floods) increased the costs of certain types of raw produce due to low supply. S4S therefore pivoted to create an SOP for a new product based on more competitively priced raw produce.

*"After doubling my income, there is a change in my family's attitude. They have started helping me in daily processing as my monthly income even more than that from the work we were doing previously."*

**S4S WOMAN FARMER**





# LESSONS LEARNED


## **There is unmet demand for high-touch, tailored gender technical assistance.**

Our analysis consistently showed that, while the framework enables the widespread identification and efficient adoption of gender lens approaches, tailored gender TA is needed to achieve meaningful and long-term impact on business performance and inclusion objectives.

Targeted and tailored TA, such as that provided by VFW, amplifies the potential to generate meaningful impact. It builds businesses' and investors' capacities to implement gender-forward business practices, and improves the evidence base for gender inclusion's impact on business performance.

Given the typical demands of a growing business, appropriate financial and non-financial incentives are needed to enable SMEs to test, implement, and scale gender-forward strategies that can support their businesses' growth. These incentives can be tapered off over time. We found that through "doing," SMEs are able to see the value and effectiveness of applying a gender lens, and it naturally becomes integrated into their decision-making processes.

Investors of all types have a pivotal role to play in incentivising and supporting investees to implement gender-inclusive strategies. This can be done either by making funds available through grants, or through other mechanisms such as linking funding to gender-based targets that go beyond HR.




### **An experimental mindset is essential to engaging in gender-inclusive strategies.**

It is important that SMEs and investors maintain an innovative mindset and remain open to piloting a number of strategies. While not all strategies will work, our experience has been that the ones that do will deliver significant results. Therefore, it is worth experimenting. Gender-inclusive strategies are a lens through which we can analyse what is working and what can be improved, which allows us to identify potential opportunities for growth and challenges to address.

Rich learnings can be garnered from strategies that don't work. Arguably, more can be learned when a strategy doesn't work than when it does, because more analysis is done on why failures occurred. Just because a strategy didn't work in one particular context doesn't necessarily mean there was something inherently wrong with the strategy itself.

Gender inclusion scoring also needs to be delivered in an opportunity-oriented way – for instance, contextualising an SME result within the average or range of scores – to be appropriately motivating.



### **Existing standards provide important impetus for meaningful change.**

Gender inclusion is a viable strategy beyond meeting existing standards, such as the industry definition of a "women-led business."<sup>33</sup> This definition in particular can vary widely. We found that while meeting that criteria is a useful starting point, such targets should be considered the floor rather than the ceiling because they generally do not capture all business functions or thresholds for inclusion. This is particularly likely where the criteria for qualification is not representative of women as a percentage of the population (e.g., 30% of the board is female when women are 50% of the population).

Unpacking these definitions and tracking their individual components will allow for more meaningful progress over time, generating more robust data that can influence decision-making at both the SME and investor level.

---

<sup>33</sup> Definitions of "Women-led Business" vary (see <https://www.empowerwomen.org/en/resources/documents/2020/09/technical-note-on-definitions-for-women-owned-businesses?lang=en>), but it is commonly understood as meeting any one of the following criteria: Woman CEO; >51% woman-owned; >20 -30% women in senior management (depending on sector); OR >30% women on board.



### **Thoughtfully structured financial incentives for TA can drive innovation.**

Grants and/or subsidies are important to derisk new and innovative strategies where there is potential for improved business performance. However, SMEs generally do not have spare funds to implement strategies beyond what they have already budgeted.

During the latter phase of our TA support, we focused on scaling strategies with a repayable grant model. This unintentionally ended up being a disincentive for some SMEs, as they were expected to agree to pay back without knowing the return on investment for a successful strategy. However, this does not mean that repayable grants are never appropriate – if a business knows the associated cost and return, repayable grants can be provided as scale-up funding. This is a new area for innovation with the potential to design the provision of gender TA in a more sustainable way.



### **Short- and long-term strategies are key to maintaining motivation and momentum.**

Implementing a mix of strategies – some that can achieve short-term results and others that require a longer timeline to see outcomes – balances the motivation from quick wins with the longer-term impact strategy. This is often the case with inclusive HR strategies, which may lead to quick improvements in the number of women applying for and being recruited to roles, but overall cost savings and efficiencies for the business will take a lot longer to see.

Therefore, making the case for implementing a gender strategy requires leaning on global evidence on the business case for gender-balanced workforces, and identifying relevant proxies on outcomes, impact, and results.

Further, strategies must align with the business's cycle. A recruitment strategy, for instance, should only be launched when the business is ready to hire. This can impact the timeline for implementation and results; we found that these strategies can take several months to develop but achieve impacts fairly quickly.

While there are opportunities to see “quick wins” with shorter implementation and measurement cycles, we've learned that a longer timeline, with flexibility built in to account for businesses' models and external factors, is what's really needed to properly test and measure the impact of this work.

Ideally, approximately 12 months is needed to implement pilot strategies. This will give time to align the strategies with activities and cycles, iterate, pivot, and generate results and learnings. Additional time is required to collect pre- and post- data. If businesses do not have sex-disaggregated data available, collecting it (and building the relevant tools and capacity to do so) will take time, and needs to be factored into the project design and timing.



### **Building and maintaining organisation-wide buy-in is essential.**

Gaining commitments to gender inclusion from senior leadership as well as key business function staff is fundamental to ensuring the successful implementation of gender-inclusive TA. Such commitments signal the prioritisation of gender by the business and can help to promote and share learnings across departments and embed inclusive practices.

Additionally, we often found that the staff delivering the strategies were not informed on the business rationale for a strategy. In some cases this led to de-prioritisation or poor execution. For example, it is not enough to train staff on a new gender-forward sales pitch; each staff member also needs to understand how it will lead to better business performance and improved recognition for the organisation.

Ideally, in addition to being interested in and motivated by gender inclusion, key SME liaisons should have a level of autonomy and decision-making power to reduce delays and the need to obtain additional approvals.

# RECOMMENDATIONS

We surfaced insights and learnings — applicable to investors, SMEs, and other actors — through the application of the framework and tools presented in this report. Our goal is to contribute to a growing body of knowledge available on gender-inclusive practices in the context of business and investment.

## FOR INVESTORS

Investors are uniquely positioned to advocate for wider adoption of gender-inclusive practices, strategies, and metrics across business functions.

Investors can take the following actions with their own portfolios and internal operations, including:

- Actively promote and communicate gender inclusion as a key priority and provide incentives for businesses to take action, such as support for TA.
- Integrate gender metrics and sex-disaggregated data into investment decision-making, due diligence processes, and performance monitoring. This will signal to investees that gender inclusion is a priority area for the investor, and will nudge investees into collecting and analysing data that they otherwise might not.

Analyse and use this data to build internal capacity and buy-in on the case for gender inclusion, and understand where gender “fits” within investor operations and priorities.

Review internal practices and policies to become more gender-forward as an investor. (See Value for Women’s How to Invest with a Gender Lens: A guide for investors in emerging markets: <https://vfw.org/wp-content/uploads/2020/07/HOW-TO-GUIDE-REPORT.pdf>)

- Fund gender TA and support businesses to adopt gender-inclusive practices.

Provide funds (through grants or other mechanisms) for businesses to experiment and pilot gender strategies.

Develop gender-related measurement standards (metrics, targets for success, etc.) that are realistic for investee businesses to achieve (i.e., don’t hold gender to a higher standard or expect miracles when the same is not true of sales, marketing, or other business improvement initiatives).

Ensure the TA is flexible in length and structure to align with business cycles, allowing time to pivot/iterate if needed to see results.

- » Design pilots with a minimum period of 12 to 18 months to see results/impact.
- » Allow for flexibility by planning for regular reviews of strategies being piloted, and be willing to adapt/change strategies in real time as needed to see success.

- Ensure learnings and case studies from TA initiatives are captured and shared, both within the portfolio and more broadly, to deepen understanding of both what gender-inclusive business practices are and how they can benefit businesses, — as well as spur innovation and efficiencies as lessons and successes are shared.
- Collaborate in or join a community of practice around standardising performance metrics (and/or proxies) that can be used over time to work towards improved agreed-upon standards of measurement (i.e. what “success” looks like).

# FOR SMES

SMEs – including social enterprises – are ideally placed to test the business impacts of gender-forward practices, and add to the evidence base globally of what success looks like for gender strategies in business.

We recommend that SMEs:

- Collect, analyse and use sex-disaggregated data to:
  - Identify specific gender-inclusive initiatives or strategies across business functions that could improve business performance, as well as gaps in capacity.
  - Quantify business impacts of gender-inclusive strategies (from employee satisfaction and retention, to sales and customer satisfaction).
- Proactively seek out opportunities and resources to support GI practices.
  - Seek guidance from experts on gender inclusion to better understand how gender practices can be incorporated into the business.
  - Ask investors for support, e.g. through providing funding and/or TA; leveraging their networks to access other (non-financial) resources; or strategy or capacity development (for example, support in developing a gender strategy).
  - Identify and review free resources, such as VfW's publications *A Business First Approach to Gender Inclusion*, *Achieving Social and Business Impacts through Gender-Smart Strategies*, and other reports.
  - Utilise existing tools or benchmarks, such as 2X Challenge or WEP, as an initial commitment to set targets.
  - Join VfW's Gender Smart Nexus to identify key opportunities and priorities for gender inclusion.
- Collaborate with or join a community of practice around gender TA and business impacts, and contribute to benchmarking over time as more SMEs adopt new tools and GI practices. This will help to build the evidence base for gender strategies.
  - Gather the baseline data necessary for a pre-TA assessment, and calculate a post-TA measurement of change.
  - Highlight and promote the businesses' commitment to gender inclusion to generate additional investments and fundraising, particularly from gender lens investors.

As with investors, SMEs will benefit from collecting, analysing, and using sex-disaggregated data to identify and quantify the business benefits of a gender-inclusive strategy, from employee satisfaction and retention to sales and customer satisfaction.

# CONCLUSION

There is no universal gold standard for what “good” means within the context of gender inclusion in business practice. Gender is nuanced, context-specific, and fluid. Likewise, business dynamics — including pace of growth, business model, stage and size, and sector — are variable and fluctuate. Tools such as the Inclusive Business Growth Framework (IBGF) demonstrate a starting point for engaging SMEs and investors on how to apply a gender lens, and how to identify/allocate resource investment to incite, measure, and track change on gender inclusion over time.

This report is intended to serve as a call to action by arming readers with the knowledge of why and how to implement the IBGF within their business or role in the GLI ecosystem. By removing barriers to entry and contributing to a growing body of evidence of the business benefits of inclusion, we hope to highlight the possibility to not only bring the IBGF into the mainstream, but most importantly allow for the voices, needs, and challenges of women employees, partners, and customers to be meaningfully heard and addressed.

---

# REFERENCES/ BIBLIOGRAPHY

Biegel, S., Brown, M., Hunt, S. M. (2021), Project Sage 4.0: Tracking venture capital, private equity and private debt with a gender lens. Retrieved from <https://socialimpact.wharton.upenn.edu/research-reports/reports-2/project-sage-4/>

Biegel, S., Hunt, S. M., Matteucci, A. (2020), Project Sage 3.0: Tracking venture capital, private equity and private debt with a gender lens. Retrieved from <https://socialimpact.wharton.upenn.edu/research-reports/reports-2/project-sage-3/>

Business for Social Responsibility (March 2020), Beyond Women on Boards: How Gender Lens Investing Can Transform Your Impact Strategy. Retrieved from <https://www.bsr.org/en/our-insights/blog-view/how-gender-lens-investing-can-transform-your-impact-strategy>

Calvert Impact Capital (2018), Just Good Investing: Why gender matters to your portfolio and what you can do about it. Retrieved from [https://shellfoundation.org/app/uploads/2019/02/Shell\\_Foundation\\_Calvert\\_Impact\\_Gender\\_Investment\\_strategy.pdf](https://shellfoundation.org/app/uploads/2019/02/Shell_Foundation_Calvert_Impact_Gender_Investment_strategy.pdf)

International Finance Corporation, (2017), Investing in Women: New evidence for the business case. Retrieved from <https://www.ifc.org/wps/wcm/connect/ac8fca18-6586-48cc-bfba-832b41d6af68/IFC+Invest+in+Women+October+2017.pdf?MOD=AJPERES&CVID=IYLVAcA>

Toniic (2018) T100 Powered Ascent Report: insights from the frontier of impact investing. Retrieved from <https://www.toniic.com/powered-ascent-report-download/>

Veris Wealth Partners. (2018), Gender Lens Investing: Bending the Arc of Finance for Women and Girls. Retrieved from [https://www.veriswp.com/wp-content/uploads/2018/10/GLI\\_Bending\\_the\\_Arc2018-web.pdf](https://www.veriswp.com/wp-content/uploads/2018/10/GLI_Bending_the_Arc2018-web.pdf)



# APPENDIX

## THE INCLUSIVE BUSINESS GROWTH FRAMEWORK (IGBF)

The IBCF provides an opportunity to facilitate the movement of capital with a gender lens by streamlining, standardising, aggregating, and measuring gender inclusion metrics and building an evidence base of the business benefits of gender inclusion.



### 1. THE GENDER AND BUSINESS SELF ASSESSMENT SURVEY AND SCORECARDS

- An online self-assessment survey, completed by SME management. Aligned with industry standards, this enables measurement of gender inclusion across nine key business functions and provides a Gender Inclusion (GI) score.
- Scorecards, including tailored recommendations for gender-inclusive strategies across priority functions, based on the businesses' responses.



### 2. THE INVESTOR DATA PORTFOLIO ANALYSIS

- Includes a survey with key questions to gather information on each individual investment, including investment asset class and size. It also includes a qualitative investor assessment about how the business is performing using proxies.<sup>34</sup>



### 3. MENU OF OPTIONS

- Outlining multiple potential gender-inclusive strategies for each business function.

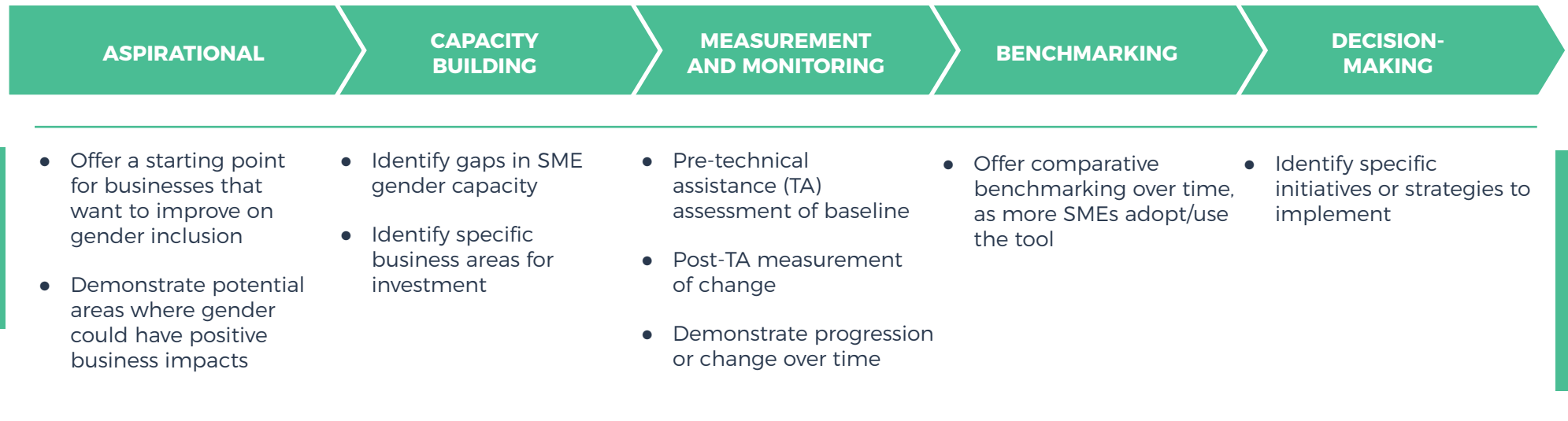


### 4. INVESTMENT

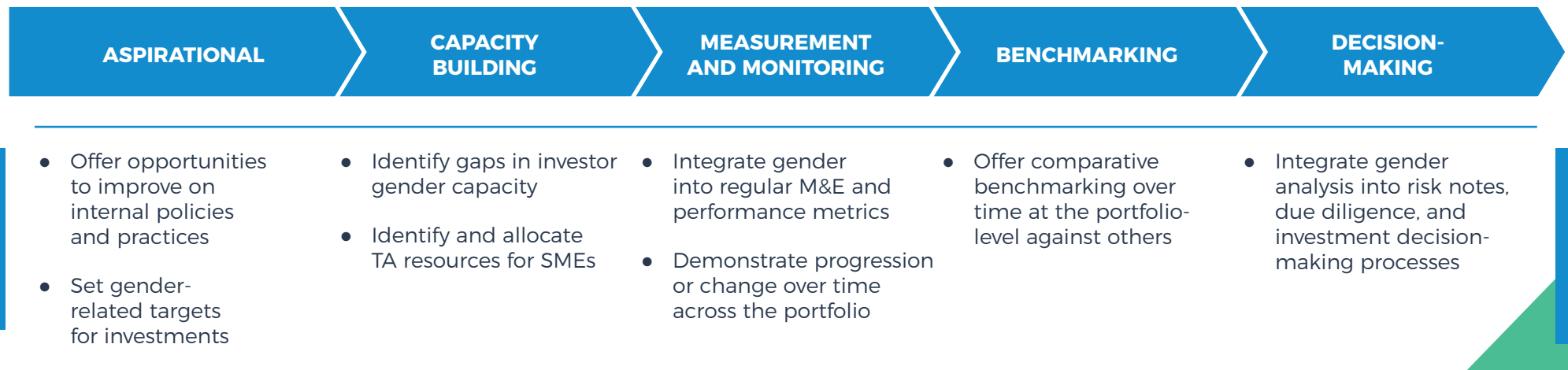
- Implementing gender-inclusive strategies; this includes dedicated gender technical assistance and grants to SMEs to pilot new approaches that have the potential to scale.

<sup>34</sup> Performance quartile estimates (i.e. "top 25%"), as per investor KPIs tracked; categorisation of outperformance, underperformance or performance in line with financial expectations as characterised by investors; and perceived improvement or decline in business performance.

## How the Framework can be used by SMEs



## How the Framework can be used by Investors



# RESOURCES

- 2X Challenge [<https://www.2xchallenge.org/criteria>]
- Asian Venture Philanthropy Network [<https://avpn.asia/>]
- Aspen Network of Development Entrepreneurs [<https://www.andeglobal.org/>]
- Calvert Impact Capital Asset Class Framework tool [<https://www.calvertimpactcapital.org/storage/documents/calvert-gender-underwriting-framework.pdf>]
- Criterion Institute [<https://criterioninstitute.org/>]
- Equileap: Gender data ratings for public companies [<https://equileap.com/>]
- Frontier Incubators, Gender Lens Incubation and Acceleration Toolkit [<https://toolkits.scalingfrontierinnovation.org/>]
- Gender Smart Investing [<https://www.gendersmartinvesting.com/>]
- Global Impact Investing Network IRIS+ Metrics: [<https://iris.thegiin.org/>]
- International Centre for Research on Women: Gender Smart Investing Resource hub [<https://www.icrw.org/gender-smart-investing-resource-hub/>]
- International Finance Corporation: Operating Principles for Impact Management [<https://www.impactprinciples.org/>]
- Investing in Women: Knowledge hub [<https://investinginwomen.asia/knowledge-hub/>]
- MEDA: GEM Framework [<https://www.meda.org/gem>]
- Sasakawa Peace Foundation, Gender Lens Investing Landscape report [<https://www.spf.org/en/gender/publications/gliasialandscape.html>]
- Telfer School of Management and Women's Economic Imperative: Gender-smart Entrepreneurship Education & Training Plus GEET+ [<https://telfer.uottawa.ca/assets/documents/2020/ORSER-ELLIOTT-FINAL-Gender-Smart-ENT-EDN-Training-Plus-GEET-Final.pdf>]
- Trillium Asset Management [<https://www.trilliuminvest.com/about>]
- UN Global Compact and UN Women, the Women's Empowerment Principles (WEPs): [<https://www.unglobalcompact.org/take-action/action/womens-principles>]
- Value for Women:
  - Resources page [<https://v4w.org/resource/>]
  - How to Invest with a Gender Lens: A guide for investors in emerging markets [<https://vfw.org/wp-content/uploads/2020/07/HOW-TO-GUIDE-REPORT.pdf>]
  - A Business-First Approach to Gender Inclusion [<https://v4w.org/resource/a-business-first-approach-to-gender-inclusion/>]
- Veris Wealth Advisors [<https://www.veriswp.com/>]