



# MSME Growth and Access to Finance: Bridging the Gap for Women-Led MSMEs

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# Where are women in the MSME segment?

## MEDIUM

### **SMALL ENTERPRISE**

Growing– registered at Registrar, tax compliance cert, may pay salaries through bank, can produce financial statements

### **ESTABLISHED MICROENTERPRISE**

Improved business organization - trading license or registration, record-keeping, taxation, employees

### **EMERGING MICROENTERPRISE**

Micro-enterprise. Often family business, no employees, may not required an RM

### **INCOME GENERATING MICRO**

Petty trade, home-based business.

# Barriers to borrowing perceived by MSMEs



*They should introduce an easier way to source funds for your business. Of course we would be **interested** if all these **barriers** were settled. – Woman MSME*

## Barriers are collateral, turnover and time

*I could grow my business more if I got more money, but I cannot because of **collateral**. – Woman MSME*

*Your **turnover** might not be enough to fetch you the amount you want. That is a hindrance. – Man MSME*

***Processing** time... if you do not have a good account officer it could be three months. – Man MSME*

## Lack information about procedures

*It depends on the relationship between you and your account officer. Now that my business has growth then they start to come. You need that information, how else are you going to grow? – Woman MSME*

## MSMEs are cautious about borrowing due to perceived costs and risks

*You must know what you are going to invest in. – Man MSME*

*I see it as a risk so I plan ahead – what kind of goods will I buy, how am I going to sell it, so you can pay. – Woman MSME*

# 🌐 Serving MSMEs requires a specialized model

## Challenges

- 1 Lack of formal accounting
- 2 Low levels of investment
- 3 Limited availability of traditional collateral
- 4 Dependency on owner/manager



## Opportunities

- 1 Resilience
- 2 Entrepreneurial capacity
- 3 Risk diversification
- 4 Large, untapped market



# What do women-led MSMEs want from banks?



'treat me like the boss I am'



understand my business



tailored package of products



privacy & confidentiality



fast & clear loan approval process



training & networking



women-focused branding



fee transparency



# What does that imply for banks?

*To serve women MSMEs well, banks need to offer three things:*

## Access to finance

- Simple, transparent, and competitive offerings with flexible collateral
- Dedicated Relationship managers for serving MSMEs

## Access to knowledge

- Business advisory services
- Strategic alliances for training

## Access to networks

- Seminars and workshops
- Networking events
- MSME clubs

**Relationship management model as the foundation**



# What do banks need to deliver on this?

Specialized Model for Risk

Operations & Processes for Relationship  
Management

360-Degree View on Customer, including  
Gender

Accountability & Internal Communications





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