

# Women and innovation

Innovation is a widely used term that is often misunderstood. It does not necessarily mean inventing new items and does not always have to depend on technology. Peter Drucker, author of *Innovation and Entrepreneurship: Practice and Principles*, says that “innovation is the act that endows resources with a new capacity to create wealth.” In other words, innovation should be a never-ending process of challenging how resources and methods are used to create new opportunities.

Innovation requires business leadership and motivation, a supportive circle of family, associates and employees, and a desire to improve. According to a survey commissioned by BMO Wealth Management, the top three reasons why small business owners implement innovation are to meet client needs (70%), create a better product or service (66%) and maintain growth and sustainability of the business (61%). In addition, the survey identified gender-specific trends and barriers within innovation that affect entrepreneurs.<sup>1</sup>

The survey findings showed that women tend to be more client-centric, while men were more likely to focus on creating better products or services. According to the “Everywhere, Every Day Innovating: Women Entrepreneurs and Innovation” report co-funded by BMO Financial Group, the Government of Canada, Carleton University, and the Beacon Agency, women’s innovations are often under-recognized, as many are not in the technology sector. The majority (90%) of the sample of 146 diverse female entrepreneurs were operating in the service industry.<sup>2</sup>

These trends are often rooted in the unique barriers faced by female entrepreneurs. More women were unaware of the support available to foster business growth and innovation.<sup>1</sup> Gaps in financial knowledge often limit women from reaching

their entrepreneurial potential. Mentorship programs and incubators, often praised as an important component of entrepreneurial success, tend to be tech-oriented and less prevalent in service sectors where women entrepreneurs dominate. Women are under-represented among mentors and advisors, limiting the ability of female entrepreneurs to find a supportive environment or raise capital. Lastly, women continue to face disproportionate balances in their work and personal lives, in areas such as household and care giving duties.

These barriers present opportunities for change. Policy changes, including the provision of equitable grant funding and better maternity benefits, should be considered by government. Financial institutions should work harder to address and eliminate unconscious bias and improve support for female entrepreneurs. Additionally, better educational resources should be provided to grow the awareness of financing options.

BMO is making great strides as an innovator in empowering women to reach their potential as a business owner. We’re committed to providing women with access to services, tools and resources to help them manage their money and grow

their businesses. How we help? We continue to provide personal wealth and entrepreneurship education workshops. Our networking events have connected women of different backgrounds and industries to help them grow professionally. Also, **BMO Celebrating Women** has raised the profile of women in communities across North America by honouring them for their achievements in a variety of community building and entrepreneurial ventures.

BMO is dedicated to breaking down the financial barriers that female entrepreneurs face and we want to support them in as many ways as we can. We offer banking services, tools, case studies, and resources, both online and in branch, to support business owners at every step of their entrepreneurial journey.

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We're here to help.™

<sup>1</sup> Innovation – Creating wealth through business improvements., BMO Wealth Insights, BMO Wealth Management, May 2018.

<sup>2</sup> Everywhere, Every Day Innovating: Women Entrepreneurs and Innovation., Beckton, C., McDonald, J. and Marquis-Bissonnette, M., February 2018.

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