



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

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Women's World Banking

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'



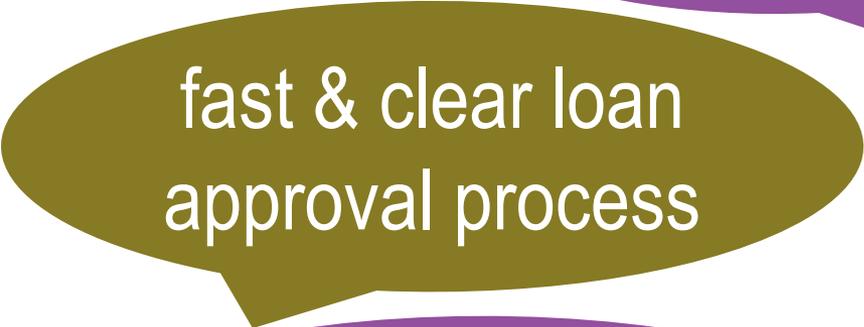
understand
my business



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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