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Rana Shanawani, Executive Director
Women's Center for Entrepreneurship

Taking women-owned companies to higher levels is the goal

The more things change, the more they stay the same ... is not a saying that nonprofits working to bring about real change hold in high regard.

But Rana Shanawani, executive director of the Women's Center for Entrepreneurship, recognizes the perennial truth in it — unfortunate as it may be — for women in business.

“One statistic that I quote all the time that really makes me very impassioned is that women-owned businesses have contributed to 3 percent of economy each year, but that has stayed exactly the same for the past 20 years,” she said.

Even with the cultural attitudes toward women in the workplace making slow shifts, the numbers Shanawani cites paint a picture of women still being at the extreme margins of business ownership.

So, even after lending aid to more than 50,000 women throughout its history, there's still plenty of work left to do for the local Women's Center for Entrepreneurship, which is the Garden State's only nonprofit focusing on women entrepreneurship from the startup period through a company's million-dollar phase.

The nonprofit was established in 2009, but it wasn't until Shanawani took on a leadership post at the organization several years ago that it expanded its focus to businesses at or near the million-dollar mark. It was a response to what she identified as a trend in women-owned enterprises.

“What I saw is that, often, clients would get to a substantial level and then they lost motivation to grow,” she said. “And it was rare to find something that could help push them up and over that second phase of growth.”

There's a number of factors that compelled Shanawani to create a curriculum to change that. The nonprofit now has a long-form program led by business leader mentors for women-owned businesses graduating the initial startup stage that are not yet established small businesses.

Although Shanawani said women are launching new enterprises at a higher rate than men, there are certain mindset-related hurdles that her nonprofit needed to create a support network to overcome.

“Unfortunately, women usually start out with lower goals for themselves,” she said. “And they don't always plan for future growth.”

This can stem from a greater fear of failure among women entrepreneurs.

“As such, they’re very adverse to taking risks in business,” she said. “And that translates into them not applying for loans, or underselling themselves when they go to negotiate. Many also report feeling uncomfortable trying to close deals.”

Women who start their businesses in the privacy of their own homes can be isolated, Shanawani added. It makes the situation far worse, because it means they don’t get to talk through this with other women in business who encounter the same hesitations.

“When it comes to making sales and charging what they’re worth, women feel so apologetic to do that and they continue to give away freebies long after starting their business,” Shanawani said. “There’s a real sense that they feel apologetic for even making a profit.”

Also in the mix is a holdover of traditional expectations of women to act as the caregiver and prioritize family life far and beyond a business, Shanawani said.

Added up, what you get is a deleterious effect on the growth of entrepreneurial ventures.

Regardless, Shanawani’s nonprofit presides over many individual cases of women breaking out of that and finding success in the later stages of a company’s life.

“As an example, we had a single mom who was being cheated out of commission she had earned at an eyewear company, just really being exploited,” she said.

“She started doing the exact same work and doing it for herself, making five times more money. She got her son into the business, who had just considered dropping out of college. She’s successful; she even contributes to other nonprofits today.”

It’s the kind of experience that’s hoped to become more common as resources such as Women’s Center for Entrepreneurship proliferate.

But the nonprofit only has so many dollars to spend, based on its allocation from the state, corporate partners and the U. S. Small Business Administration — with that latter organization headed for a budget retooling under President Donald Trump.

“As of right now, I don’t think our funding is threatened under the new administration,” Shanawani said. “From what I understand, our national partners submitted a proposal and lobbied well — for such a bipartisan cause — that we managed to be safe for the immediate future.”

That’s a good thing for Shanawani, who believes the more women her organization is able to reach, the less likely it is for them to be sidelined as business owners.

“We can provide the sort of network that can really make the difference for women entrepreneurs who would otherwise be in silos,” she said.