

*A Guide to*  
Starting and Running  
a Woman-Owned Business

Women-owned enterprises have a ready market for their products and services, as governments and private entities seek to increase outreach. Networking provides unique opportunities to make contacts and generate business with like-minded entrepreneurs, and special help resources are available for those who qualify. These are just some of the special considerations of women-owned businesses that will be outlined in this *Guide to Starting and Running a Women-Owned Business*, brought to you by BizFilings and Business Owner’s Toolkit®.

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## Special considerations

Congratulations for choosing to start a new business! You will be joining the ranks of millions of courageous, dynamic women who are significantly impacting the economic growth of our nation.

Woman-owned firms (those that are at least 51 percent owned by women) represent a strong and growing segment of our national economy. During the past decade, their growth in number and in economic impact has outpaced the growth rate of U.S. businesses generally. According to the Center for Women's Business Research, from 1997 to 2006, the number of woman-owned firms grew by 42 percent. Their figures as of 2008 indicate 7.2 million woman-owned firms with 7.3 million employees and revenues of \$1.1 trillion. [www.cfwbr.org](http://www.cfwbr.org)

If you add to the mix enterprises that are 50 percent woman-owned, the numbers rise to 10.1 million firms (more than 40 percent of all privately-owned U.S. businesses) with 13 million employees and generating revenues of \$1.9 trillion.

Clearly, opportunities exist for starting up new businesses. If you feel your entrepreneurial spirit calling you into the marketplace, don't ignore it. Do the research. Explore the options. And as you determine that the call to the marketplace is really for you, make sure you consider some issues that arise particularly because you are a woman. You will have some important decisions to make. The next few pages will help you focus on some of the distinctive issues that a woman should consider as she decides to start a business. Here are some of the topics to be explored as you head down the path of starting your own business:

- Make an Initial Choice — A Woman in Business or a Woman-Owned Business?
- Why Choose a Woman-Owned Business?
- Networking Among Women in Business
- Government Resources for Women in Business
- Certification of a Woman-Owned Business  
Government Procurement Programs for a Woman-Owned Business
- Financing Opportunities for a Woman-Owned Business

## Make an initial choice—a woman in business or a woman-owned business?

As an entrepreneur who also happens to be a woman, you have some unique decision-making to do as you enter the business world. First and foremost, as you begin the process of starting, running and growing your new business, you need to decide how essential you want it to be that you are, in fact, a woman. Do you simply want to be a woman in business, or do you want to be a woman in a woman-owned business?

Your answer has implications — legal, practical and emotional. It will affect nearly every choice you make as you get started — the business or industry you choose to enter, the persons you choose as business partners, the markets you pursue and the methods you use to pursue them, and most every other business decision that follows.

What is this choice you need to make? At its most basic level, you need to choose whether to restrict the majority ownership of your business to women.

From a legal perspective, advantages given to woman-owned businesses are typically restricted to enterprises with at least 51 percent ownership by women. You must choose whether you wish to take advantage of those opportunities, which often include special procurement set-asides, financial assistance or other forms of business assistance.

From a practical and strategic perspective, you need to choose whether to make “woman-owned” an essential element of your business operation and your marketing of products or services. Is it going to be part of the personality of your business? Will it affect who you do business with?

From an emotional perspective, you must decide whether you are making a statement for yourself as a woman and/or for women in general. Is it important to you that your business is recognized as a woman's business and that its success is seen as a success for you as a woman?

How you answer these questions will help you set your course as you start your business.

## Why choose a woman-owned business?

Many benefits may follow once you choose to pursue a woman-owned business.

If your business is certified as a woman's business enterprise (WBE), special opportunities arise within the procurement programs of federal and state governments and the supplier diversity programs of private corporations seeking to purchase a portion of their goods and services from small minority-owned or woman-owned enterprises.

Also, there are business financing opportunities for woman-owned businesses through federal and state agencies, banks and other investors.

Furthermore, marketing opportunities arise for a business that can call itself woman-owned. Woman-to-woman marketing strategies can be developed for certain types of products and services. And don't ignore woman-to-man marketing strategies, either.

And one more thing: if "woman-owned" is a key part of the personality of your business, it will affect how you do business, who you partner with, who you hire, and the general environment in the workplace, hopefully in a positive way.

## Networking among women in business

As a woman entering the world of business, you will find unique opportunities for networking with other businesswomen.

With their characteristic ability to connect with other people and build relationships, women in business excel at networking and supporting one another. In addition to all of the usual resources and organizations available for those getting started in business, women have established a number of organizations and websites especially to support the efforts of entrepreneurial women and to meet their special business concerns.

You will find easy access to many of these supportive organizations via the Internet. Two organizations that provide not only networking opportunities, but certification for woman-owned enterprises, as well, are the:

- Women's Business Enterprise National Council (WBENC)  
[www.wbenc.org](http://www.wbenc.org)
- National Women Business Owners Corporation (NMBOC)  
[www.nwboc.org](http://www.nwboc.org)

Another that provides support to women throughout the country through local chapters is the National Association of Women Business Owners (NAWBO) [www.nawbo.org](http://www.nawbo.org). Another website providing great information and resources for women in business is [www.WomanOwned.com](http://www.WomanOwned.com).

These are just a few of the great organizations that can help you with resources and relationships as you begin your business. And don't forget to tap government resources as well.

## Government resources for women in business

Private organizations aren't the only place to look for helpful resources for women-owned businesses. The government provides a number of options as well.

The National Women's Business Council (NWBC) is an advisory council established by federal law, made up of women in business, and created to serve as an independent source of advice and policy recommendations on economic issues of importance to women business owners. The Council brings together women business owners, policy makers, bankers, representatives of women's business organizations, and other stakeholders to discuss possible solutions to the challenges facing women business owners and to recommend these solutions to the President, Congress and the U.S. Small Business Administration. Its mission is to promote policies and programs designed to support women's business enterprises at all stages of development. [www.nwbc.gov](http://www.nwbc.gov)

NWBC sponsors a website called [www.WomenBiz.gov](http://www.WomenBiz.gov) that offers insights in how to pursue business with the federal government. Today, NWBC plays a vital supporting role in expanding opportunities for women business owners.

Of course, as you start up a small business, you will also want to check out the U.S. Small Business Administration (SBA), which makes available to you a wide variety of resources, including options for financing and other business assistance. [www.sba.gov](http://www.sba.gov)

In addition to its substantial resources for small businesses in general, there exists within the SBA the Office of Women's Business Ownership (OWBO) which oversees a network of Women's Business Centers (WBCs) around the country through which management and technical assistance are provided to women entrepreneurs. Women who are economically or socially disadvantaged are offered comprehensive training and counseling on a vast array of topics in many languages to help them start and grow their own businesses.

In addition, most states have resources and assistance specifically targeted for woman-owned businesses. Go to your state's government website to find the information available to you. Sometimes, the office handling matters related to woman-owned business enterprise is a separate government agency. Most of the time, there is a special office within the state department that handles economic and community development. Other states have such an office with the state management services agency. In short, it varies from state to state.

## Certification of a woman-owned business

Women's Business Enterprise (WBE) certification can add credibility to a company, and be a part of its business development strategy. Certification that a business is owned by a woman is required if you wish to participate in programs which require utilization and tracking of woman-owned businesses. Having WBE certification is the only way the purchasing agents have confidence that a business representing itself as woman-owned is in fact woman-owned.

Most publicly held corporations, and many larger private corporations, have supplier diversity programs that track the business they do with woman-owned businesses. Also, most local, state, and federal government purchasing agencies have programs for doing business with woman-owned vendors. They, too, rely on WBE certification.

To become certified as a woman-owned business, it must be shown that at least 51 percent of ownership, management and control rests in the hands of women; the business has been open for at least six months; and the business owner(s) must be a U.S. citizen or legal resident alien. There must be evidence indicating that the contribution of capital and/or expertise by the woman business owner is real and substantial and in proportion to the interest owned; the woman business owner directs or causes the direction of management, policy, fiscal, and operational matters; and the woman business owner has the ability to perform in the area of specialty or expertise without reliance on either the finances or resources of a firm that is not owned by a woman.

### *Two women's business organizations certify qualifying woman-owned businesses.*

- The WBENC (Women's Business Enterprise National Council) offers certification for women's business enterprises. Certification is administered through fourteen regional affiliates. WBENC certification is recognized by more than 700 national corporations, and by many state and local government agencies. [www.wbenc.org](http://www.wbenc.org)
- The NWBOC (National Women Business Owners Corporation) has a national certification program for woman business enterprises that serves, in part, as an alternative to the multiple state and local certifications required by many public and private-sector agencies or prime contractors. More than 100 major corporations, agencies, and organizations accept NWBOC certification. [www.nwboc.org](http://www.nwboc.org)

While the federal government does not require certification as a woman-owned small business, for purposes of federal procurement, you may self-certify in the Central Contractor Registration.

Many state and local governments have procurement programs and assistance programs for minority-owned and woman-owned enterprises. Some require certification for participation. Some may accept certification from one of the organizations above, while others may require direct certification. Check your state's website to find out what is available to you.

## Government procurement programs for woman-owned businesses

In 2000, the Women's Equity in Contracting Act gave federal procurement officers the ability to set aside up to 5 percent of all contracts for women-owned firms. However, it is not expressly a set aside, but rather a "goal."

The intent of the program is to encourage government procurement officers to enter into more contracts and spend a higher percentage of their funds with woman-owned businesses.

Most states in the nation, and many local governments, have procurement programs that offer some competitive advantages to woman-owned businesses. For specific data on such programs, check your state's website.

## Financing opportunities for woman-owned businesses

Just as there are many resources on the Internet for information and networking, there are also resources for seeking financing for your new business.

Some of the sites that are the best sources for information also provide helpful tips on financing. For example, you can find several funding ideas by going to [www.WomanOwned.com](http://www.WomanOwned.com). You can find information on start-up financing and programs from government agencies, grant opportunities, and money from banks and others in the private sector.

Be alert to the variety of opportunities, and look to many sources for financing opportunities.

## State certifications and programs for woman-owned businesses

A Woman-Owned Business Enterprise (WBE) can often benefit from programs offered by state and local governments. Many states, and some local governments, have offices devoted to assisting minority and woman-owned business enterprises, sometimes with special government procurement programs, and sometimes with financial or other forms of assistance to eligible businesses.

Many of the governmental entities have certification programs for WBEs. Here is a list of states that have certification programs:

Alabama, Arizona, Connecticut, Delaware, Florida, Indiana, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Washington, District of Columbia, West Virginia and Wisconsin.

In some states (eg., Connecticut and Florida), there is not a separate certification for WBEs. Rather, WBEs are included in the definition of minority-owned business enterprises. In some states (eg., North Carolina and Texas), the certification is for "historically underutilized businesses," but includes WBEs within the eligible category. In many states, only an in-state business can be certified.

Several other states have voluntary registries or self-certification procedures for WBEs. This group of states includes:

Colorado, Georgia, Kansas, Michigan, Nebraska, New Jersey and Vermont.

Several other states have certifications or special programs that are not focused on WBEs, but they are for specific categories of small business into which some WBEs may fall. States with these certifications and programs include:

California, Illinois, Iowa, Louisiana, New Hampshire, New Mexico, Ohio, South Carolina and West Virginia.

There is also a fairly large group of states that have no special programs for woman-owned businesses. Included in this group are the following:

Alaska, Hawaii, Idaho, Kentucky, Maine, Montana, Nevada, North Dakota, South Dakota, Utah and Wyoming.

Check your state's website to find out what programs are available to you. Sometimes, the office handling matters related to woman-owned business enterprise is a separate government agency. Most of the time, there is a special office within the state department for economic and community development. Other states have such an office with the state management services agency. In short, it varies from state to state, but they are usually designated as offices for minority and woman-owned business enterprise (MWBE).